BROCKHAUS TECHNOLOGIES

Report by the Executive Board on agenda item 7 relating to exclusion of subscription rights in connection with the Authorized Capital 2024/I in accordance with section 203 (2) sentence 2 in conjunction with section 186 (4) sentence 2 of the German Stock Corporation Act (AktG)

The Executive Board and the Supervisory Board propose to the Annual General Meeting under agenda item 7 to create a new authorized capital totaling up to EUR 3,284,291.00 in the case of capital increases against contributions in cash and/or in kind with the possibility of excluding subscription rights (Authorized Capital 2024/I). Upon the new Authorized Capital 2024/I taking effect, the previous Authorized Capital 2020 is to be canceled. In accordance with section 203 (2) sentence 2 in conjunction with section 186 (4) sentence 2 of the AktG, the Executive Board is submitting the following written report on this matter:

In connection with the acquisition of the Bikeleasing-Service Group, the Executive Board made partial use of the Authorized Capital 2020 in an amount of EUR 560,829.00 with the Supervisory Board's approval. The Executive Board reported to the Annual General Meeting on June 22, 2022, on the details of the utilization of the Authorized Capital 2020, including the reasons for this. As a result of such partial utilization, the Authorized Capital 2020 has decreased. The remaining Authorized Capital 2020 of EUR 4,398,200.00 expires on July 8, 2025. In order to ensure that the Company still has authorized capital in the future, a new Authorized Capital 2024/I is to be created and the existing Authorized Capital 2020 is to be canceled.

The Authorized Capital 2024/I is proposed since the Company wants to be able to act quickly and flexibly at all times in the interests of its shareholders. The Executive Board therefore regards it as its duty to ensure that – regardless of the specific plans for utilization – the Company always has the instruments that it requires for raising capital. As decisions on how to meet capital requirements generally need to be made at short notice, it is important that the Company is not dependent on the cycle imposed by the Annual General Meeting. The instrument of authorized capital has been created by legislators in order to address this requirement. Reasons for using authorized capital may in particular be to strengthen the equity base and to finance the acquisition of equity interests. The latter aspect in particular is of great importance for Brockhaus Technologies AG's business.

The amount of EUR 3,284,291.00 proposed for the Authorized Capital 2024/I corresponds to 30% of the Company's present share capital. The proposed term of the authorization is three years. Both the nominal amount of the Authorized Capital 2024/I and the term are therefore

BROCKHAUS TECHNOLOGIES

well below the statutory maximum values as stipulated in section 202 of the AktG, namely of up to 50% of the share capital existing at the time of the authorization given a maximum authorization term of five years.

Shareholders generally have subscription rights when the Authorized Capital 2024/I is utilized. To facilitate handling, shareholders may also be indirectly granted shares in connection with these statutory subscription rights in accordance with section 186 (5) AktG.

However, the Executive Board is to be authorized to exclude subscription rights in the following cases subject to the Supervisory Board's approval:

i) Exclusion of subscription rights in connection with fractional amounts

The Executive Board is authorized to exclude from shareholders' subscription rights fractional amounts arising from the scope of the capital increase in question and the determination of a practicable subscription ratio. This ensures an even subscription ratio and facilitates handling of a rights issue. The resultant dilution effect for the shareholders is only minor. The new shares excluded from subscription rights ("fractional shares") will be used for the Company on the best possible terms.

ii) Exclusion of subscription rights in connection with capital increases against contributions in kind

It is also to be possible for shareholders' subscription rights to be excluded in connection with capital increases against contributions in kind. In this way, the Executive Board is able to utilize the Company's shares in appropriate individual cases, particularly in connection with the acquisition of companies, parts of companies, equity interests in companies or other assets and rights. The Executive Board can only make use of the authorization if the shares issued with the exclusion of subscription rights do not exceed a total of 10% of the share capital, either at the time the authorization becomes effective or at the time it is exercised. The objective of that is to enable the Executive Board to react flexibly to opportunities that arise and to keep the costs of raising capital within reasonable limits while preserving the Company's liquidity. That will help reinforce the Company's competitiveness and is intended to enhance its profitability and enterprise value.

For example, it may in particular be necessary in light of the Company's specific interests for the seller of a company to be offered new shares as consideration for acquisition of the target in question. This enables optimum financing of an acquisition in exchange for the issuance of new shares in the individual case, while strengthening the Company's equity base. Moreover, sellers frequently insist on receiving shares as consideration as this may be more favorable for them and also means the sellers can still indirectly share in the opportunities and risks of the entities sold. In addition, Brockhaus Technologies AG's corporate strategy envisages preferably acquiring majority stakes in companies with innovation- and technology-driven business models. Against this backdrop, it may be in the Company's interests for potential sellers to be tied to the Brockhaus Technologies Group as minority shareholders in the companies acquired. In such a situation, issuing shares may create an incentive for a seller to identify not only with the subsidiary concerned, but also with the Brockhaus Technologies Group as a whole. This is in the interests of the Company and the shareholders. The possibility of using shares in the Company as an acquisition currency additionally gives it the freedom it needs to seize acquisition opportunities swiftly, flexibly and in a manner that preserves its liquidity. The Company and its shareholders do not suffer any disadvantage from that, as the issue of shares in return for non-cash contributions requires the value of the non-cash contribution to be in reasonable proportion to the value of the shares to be issued. In exercising the authorization, the Company's Executive Board will carefully consider the valuation ratio and ensure that the interests of the Company and its shareholders are appropriately safeguarded and that a reasonable issue price is achieved for the new shares.

iii) Exclusion of subscription rights in connection with capital increases of up to 10%

In addition, it is also to be possible for shareholders' subscription rights to be excluded in connection with capital increases against contributions in cash of up to 10% of the share capital existing as of the date on which the authorization takes effect or, if this amount is lower, on the date on which it is exercised, provided that in accordance with section 186 (3) sentence 4 of the AktG the new shares are issued at an amount that is not significantly less than the stock exchange price at the time the issue price is finally determined ("simplified exclusion of subscription rights").

The simplified exclusion of subscription rights is a situation governed by law where shareholders' subscription rights are allowed to be excluded. Legislators have increased the threshold for such a simplified exclusion of subscription rights from the previous 10% to 20%. The authorization submitted to the Annual General Meeting for resolution nevertheless only provides for a threshold of up to 10% in order to take account of any concerns that shareholders may have with regard to a possible dilution of their stake.

The proposed authorization to exclude subscription rights enables the Executive Board to seize market opportunities swiftly and flexibly and to raise the necessary capital at very short notice, if necessary, and in particular without any obligation to observe a subscription period that lasts at least two weeks. In this case, the new shares must be placed at a price close to the stock exchange price. In the case of listed shares, this price is normally subject to a smaller discount than in the case of a rights issue. In addition, it may be possible to reach new shareholder groups in a targeted manner with such a placement.

The restriction to 10% of the share capital existing as of the date on which the authorization takes effect or on which the authorization is exercised takes into account shareholders' interest in preventing a dilution of their percentage stake – and, as stated above, also goes beyond what is required by law. The 10% limit will include shares (a) which are issued or sold during the term of the authorization subject to the exclusion of subscription rights in direct and *mutatis mutandis* application of section 186 (3) sentence 4 of the AktG or (b) which are or may be issued to service bonds and/or profit-participation rights with conversion and/or option rights or conversion and/or option obligations, provided that these financial instruments are issued after this authorization takes effect subject to the exclusion of subscription rights in *mutatis mutandis* application of section 186 (3) sentence 4 of the AktG. Shareholders wishing to retain their percentage stake can do so by buying additional shares via the stock exchange in order to prevent a reduction in their percentage stake.

The simplified exclusion of subscription rights is contingent upon the issue price of the new shares not being significantly less than the applicable stock exchange price.

This reasonably takes account of the need to prevent any dilution in the value of the stake held by the shareholders. In accordance with the legal assessment of section 186 (3) sentence 4 of the AktG and after weighing up the circumstances presented above, the Executive Board believes that the exclusion of subscription rights within the confines outlined above safeguards shareholders' interests to an appropriate extent and is in the interests of the Company, particularly by ensuring it has necessary freedom of action.

iv) Exclusion of subscription rights in connection with capital increases against contributions in cash as part of the issue of shares to holders of financial instruments with conversion and/or option rights or conversion or option obligations

Moreover, subscription rights are to be excluded in connection with capital increases against contributions in cash as far as it is necessary to grant the holders of bonds or profit-participation rights with conversion or option rights or conversion or option obligations issued by the Company or Group companies in which the Company directly or indirectly holds a majority interest on the basis of an authorization adopted separately by the Annual General Meeting subscription rights to new shares in the Company in a scope to which they would be entitled as shareholders after the exercise of the conversion or option right or the fulfillment of the conversion or option obligation or the exercise of any alternative authorization on the part of the Company.

The terms and conditions for the issue of bonds or profit-participation rights with conversion or option rights or conversion or option obligations regularly provide for the avoidance of dilution effects under which the holders or creditors are granted subscription rights to new shares in subsequent equity issues or certain other corporate measures. In this way, they are placed in the position they would hold if they were already shareholders. In order to prevent these financial instruments from causing any dilution, shareholders' rights to subscribe to these shares must be excluded. This facilitates the placement of the financial instruments and thus accords with shareholders' interests in ensuring the Company has an optimum financing structure.

In addition, the exclusion of subscription rights in favor of the holders or creditors of these financial instruments has the advantage that, upon the authorization being utilized, the conversion or option price for the holders or creditors of already existing financial instruments does not have to be reduced in accordance with the respective terms and conditions of the bonds. This enables a higher inflow of funds to be achieved and is thus in the interests of the Company and its shareholders.

v) Exclusion of subscription rights in connection with a scrip dividend

In addition, the Executive Board is to be authorized to exclude shareholders' subscription rights in connection with a scrip dividend. In the case of a scrip dividend, shareholders may choose to contribute their claim to payment of the dividend (in whole or in part) as a non-cash contribution to the Company in return for new shares in the Company. As a rule, a scrip dividend is executed as a genuine rights issue subject to shareholders' subscription rights being safeguarded and in accordance with the principle of equal treatment (section 53a of the AktG). Depending on the situation on the capital market, however, it may be preferable on a case-by-case basis to implement a scrip dividend in such a way that the Executive Board offers all shareholders entitled to a dividend new shares from the Authorized Capital 2024/I in accordance with the general principle of equal treatment (section 53a of the AktG) in return for them surrendering their dividend claim, while formally excluding shareholders' subscription rights in their entirety. The execution of the scrip dividend subject to the formal exclusion of subscription rights enables the scrip dividend to be carried out on more favorable terms, in particular without any obligation to observe the minimum subscription period or the date stipulated by law for announcing the issue price. In view of the fact that all the shareholders are offered the new shares and excess dividend amounts are settled by paying cash dividends, the envisaged exclusion of subscription rights is justified and reasonable. When making a decision on the way in which shares are to be obtained or a combination of different ways for them to be obtained in order to finance such measures, the Executive Board will be guided solely by the interests of the Company and the shareholders.

vi) Exclusion of subscription rights for other reasons

In addition to the exclusion of subscription rights for the reasons presented above, the Executive Board will also be able to exclude shareholders' subscription rights for other reasons subject to the Supervisory Board's approval.

However, the Executive Board may only exclude subscription rights in such a situation if this is objectively justified, i.e. the exclusion of subscription rights serves a purpose that is in the interests of the Company and is suitable, necessary and proportionate for achieving the intended purpose.

After considering all the circumstances, the Executive Board considers exclusion of subscription rights in the above cases to be objectively justified and appropriate for the reasons indicated, notwithstanding the dilution effects arising to the detriment of the shareholders.

In this connection, shareholders are protected against dilution by the fact that the pro rata amount of the share capital attributable to shares that can be issued in accordance with agenda item 7, section 7.2 ii) to v), subject to the exclusion of shareholders' subscription rights may not exceed a total of 20% of the Company's share capital existing at the time the resolution is adopted by the Annual General Meeting. Only shares issued with the exclusion of subscription rights for fractional amounts in accordance with agenda item 7, section 7.2 i), are not subject to the specified 20% limit. On the other hand, treasury shares used during the term of the authorization subject to the exclusion of subscription rights are also counted towards the 20% limit of the share capital. Furthermore, the 20% limit applies to shares that are to be issued to service conversion or option rights or obligations from bonds and/or profit-participation rights, provided that the bonds or profit-participation rights were issued during the term of this authorization subject to the exclusion of shareholders' subscription rights.

In each individual case, the Executive Board will also carefully examine whether to make use of the authorization to conduct a capital increase subject to the exclusion of shareholders' subscription rights. It will only do so if in the view of the Executive Board and the Supervisory Board this is in the Company's interests and, hence, also in the interests of the shareholders.

The Executive Board will report at the next Annual General Meeting on the utilization of the Authorized Capital 2024/I.

Frankfurt am Main, April 2024

Marco Brockhaus	Dr. Marcel Wilhelm