

Remuneration report

Brockhaus Technologies AG

2021

This remuneration report for Brockhaus Technologies AG (“BKHT” or the “Company”) for the 2021 reporting period was prepared by the Executive Board and Supervisory Board and includes individualized disclosures about the remuneration awarded and due to members of the Company’s Executive and Supervisory Boards as well as explanations of the underlying remuneration system.

Remuneration is awarded if it is actually accrued by the member of the governing body and is thus transferred to their assets (payment-oriented view). Alternatively, it is permissible to present remuneration in the remuneration report for the fiscal year in which the underlying (one year or multiple years) activity was carried out in full (vesting-oriented view). In the following, remuneration awarded is presented in the vesting-oriented view.

In its remuneration report, BKHT also illustrates how the remuneration for the Company’s governing bodies supports its long-term development. The Executive and Supervisory Boards are responsible under section 162 of the German Stock Corporation Act (AktG) for compiling the remuneration report. The BKHT remuneration report and the auditor’s opinion about the formal and substantive audit that it performed are available to the public on our website (www.brockhaus-technologies.com) in the section entitled Investor Relations, subsection Corporate Governance.

The Company developed a new remuneration system for Executive Board members during the 2021 reporting period in order to meet the new AktG requirements. The new system is also aligned with the recommendations of the German Corporate Governance Code as amended on December 16, 2019. The remuneration system, except for some specific exceptions, meets these recommendations. The exceptions are explained in the Company’s Declaration of Compliance on our website (www.brockhaus-technologies.com) in the section entitled Investor Relations, subsection Corporate Governance. The new remuneration system for members of the Executive Board was approved at the BKHT Annual General Meeting on June 16, 2021, with 72.98% voting in favor. The new remuneration system applies to all new contracts of service for Executive Board members. It will be rolled out in the 2022 fiscal year in line with the remaining terms of the Executive Board members’ existing contracts of service.

Additionally, a 98.77% majority voted in favor of adjusting the remuneration for Supervisory Board members at the Annual General Meeting on June 16, 2021. This adjustment has been applied for the first time for the 2021 fiscal year as a whole.

Details about the remuneration system for the Executive and Supervisory Boards can be viewed on our website (www.brockhaus-technologies.com) in the section entitled Investor Relations, subsection Corporate Governance.

Executive Board remuneration

The members of the BKHT Executive Board are:

- > Marco Brockhaus, Chair of the Executive Board, Chief Executive Officer
- > Dr. Marcel Wilhelm, Chief Operating Officer, Legal Counsel

There were no deviations from the previous remuneration structure for Executive Board members during the 2021 fiscal year.

The remuneration structure is geared toward sustainable business development and consists of fixed and variable remuneration. The fixed, non-performance-based component of the remuneration consists of a fixed annual salary. The variable component consists of a performance-based bonus.

The remuneration of the individual Executive Board members is determined and reviewed periodically by the Supervisory Board. The aim is to remunerate the members of the Executive Board appropriately to reflect their activities and responsibilities, taking into account personal performance as well as the Company’s financial situation, success, and future prospects.

In this context, the Supervisory Board is guided by the remuneration paid by comparable companies to their directors and its appropriateness compared with the level of other salaries in the Company. The Supervisory Board’s intention is to retain the members of the Executive Board for the long term and to provide an incentive to increase enterprise value. The variable remuneration is also designed to promote the motivation and commitment of the members of the

Executive Board, while at the same time offering an opportunity to incorporate the Company’s financial situation into the determination of the bonus.

The Supervisory Board reviews the remuneration periodically. In this review, it takes into account the individual performance and the scope of the responsibilities assumed as well as the Company’s financial situation.

The Supervisory Board took BKHT’s initial public offering on July 14, 2020, as an opportunity to analyze the existing remuneration structure with the idea of continuously developing it, including with regard to the drafting of new contracts of service, and to examine the recommendations of the German Corporate Governance Code as amended on December 16, 2019, and incorporate BKHT Group’s further development as part of this.

The contracts of service of the two members of the Executive Board are each dated April 12, 2018, based on the Supervisory Board resolution of the same date, and each one runs until July 31, 2022.

Fixed remuneration

The fixed, non-performance-based annual remuneration of the Executive Board members is paid in twelve equal installments at the end of each month. The final payment made is for the full month in which the contract of service ends. It is reviewed annually for appropriateness and adjusted if required. It may also be adjusted by granting nonrecurring special payments.

Fringe benefits

The Company also grants its Executive Board members additional fringe benefits. These benefits mainly consist of accident insurance.

The fringe benefits during the reporting period came to €13 thousand (previous year: €4 thousand).

Variable remuneration (bonus)

In addition to the fixed salary, the Company grants the members of the Executive Board variable remuneration (a bonus), the amount of which is determined for the relevant fiscal year on the basis of the Company's audited consolidated financial statements and approved by the Supervisory Board following approval of the consolidated financial statements for the past fiscal year. It is calculated on the basis of the EBITDA presented in the audited consolidated financial statements, as defined in the relevant contracts of service of the Executive Board members. EBITDA means earnings before interest, taxes, depreciation, and amortization and, for the purpose of determining the bonus, it is adjusted for expenses from stock-based compensation and costs of equity transactions recognized in profit or loss. Using EBITDA as a measure of operating profitability allows adequate account to be taken of the achievement of financial, operational, and strategic targets. To ensure the appropriateness of the total remuneration, the Executive Board contracts of service stipulate that the variable bonus of the members of the Executive Board is limited to a maximum amount of 200% of the applicable fixed annual salary. The contracts of service of the Executive Board members specify the following percentage of annual EBITDA as a bonus.

% of EBITDA	2021	2020
Marco Brockhaus	10%	10%
Dr. Marcel Wilhelm	1%	1%

Special bonus

A special bonus was granted to the members of the Executive Board for reaching a strategic goal with the transformational acquisition of Bikeleasing. Through its activities, the Executive Board made a significant contribution to the success of this acquisition. In total, the special bonus amounted to €1,320 thousand.

Stock and stock options

The Supervisory Board did not exercise the option to allow members of the Executive Board to participate in the Company's existing stock option program during the reporting period.

Total remuneration and components

The total remuneration awarded and due to members of the Executive Board in the 2021 fiscal year amounted to €2,337 thousand (previous year: €2,274 thousand). Of this amount, 34% consists of fixed remuneration components and 66% of variable remuneration components. The limit on the variable bonus was not exceeded and came to €1,073 thousand for Mr. Brockhaus and €470 thousand for Dr. Wilhelm.

In the event that the Company terminates their Executive Board role prematurely, the Executive Board members are each entitled to a severance payment in accordance with the following arrangements. Unless expressly stated otherwise, these arrangements apply to both of the Executive Board members.

If the Company revokes the appointment for good cause and gives due notice of termination of the contract of service, the Executive Board member is entitled to a severance payment. The severance payment is limited to the following:

- > For Mr. Brockhaus: a total of two annual salaries or the outstanding salary payments for the remaining term, whichever is less
- > For Dr. Wilhelm: one annual salary or the outstanding salary payments for the remaining term, whichever is less

It comprises the total amount of the salaries no longer accruing and payable as a result of the early termination of the contract of service (fixed salary and variable remuneration, based on the last annual salary). The entitlement to the severance payment is due on termination of the contract of service. The entitlement does not exist if the Company gives effective extraordinary notice of termination to the Executive Board member for good cause within the meaning of section 626 of the German Civil Code (BGB).

Components of awarded and due Executive Board remuneration

€ thousand	Start/ exit	Most recent position	Fixed components			Variable components			Total remuneration	Percentage that is fixed	Percentage that is variable
			Fixed salary	Fringe benefits	Total	Regular	Special bonus	Total			
Current members											
Marco Brockhaus	Aug. 2017	Chairman	540	7	547	203	870	1,073	1,620	34%	66%
Dr. Marcel Wilhelm	Aug. 2017	Member	240	6	246	20	450	470	716	34%	66%
Total			780	13	793	224	1,320	1,544	2,337	34%	66%

If the Company revokes the appointment of the Executive Board member for good cause but does not terminate the employment contract within one month from the date of revocation, or if the Executive Board appointment ends due to a conversion of the Company's legal form, the Executive Board member is entitled in turn to terminate the contract of service by giving notice pursuant to BGB section 622(2). In the event of such termination by the Executive Board member, the member is entitled to the severance payment described above.

If the appointment of the Executive Board member is revoked for good cause or the Executive Board member is terminated for good cause under BGB section 626 and court or arbitration proceedings deliver a conclusive and unappealable finding that there was no reason for revocation or that there was no good cause pursuant to BGB section 626, the Executive Board member will receive a lump sum of compensation amounting to two years' salary (fixed salary and variable remuneration, based on the last annual salary) without prejudice to the member's entitlements described above.

If a member of the Executive Board dies during his or her position on the Executive Board, his or her widow, or alternatively dependent children, receive the fixed salary and the most recent variable remuneration for 24 months, although for no longer than the contractually agreed end date of the contract of service.

In the event that the Company ends their Executive Board role ordinarily, the Executive Board members are each entitled to a payment in accordance with the following arrangements. Unless expressly stated otherwise, these arrangements apply to both of the Executive Board members.

The members of the Executive Board have a special right of termination in the event of a change of control. A change of control is deemed to exist:

- > if a third party or several third parties acting in concert who, at the time the contract of service of the Executive Board member was entered into, did not hold or held less than 20% of the voting rights in the Company, acquire voting rights in the Company such that they account for more than 30% in the aggregate

(existing and acquired) of the voting rights in the Company, irrespective of whether this produces an obligation to make a takeover bid (the relevant provisions of the German Securities Acquisition and Takeover Act (WpÜG), in particular sections 29 and 30, apply to the calculation of the share of the voting power), or

- > in the event of a merger (section 2 of the German Company Conversion Act –UmwG) involving the transfer of the assets of the Company under UmwG section 174(1) or (2) sentence 1 or a legal transfer of the material assets to third parties who do not belong to the Company's group of companies, or
- > in the event that a control agreement and/or a profit and loss transfer agreement is or are entered into by the Company in a role as a dependent controlled company

The Executive Board member is entitled to a severance payment if this special termination right is exercised. The severance payment is limited to the following:

- > For Mr. Brockhaus: a total of two annual salaries
- > For Dr. Wilhelm: a total of one annual salary

It comprises 50% of the total amount of the salaries no longer accruing and payable as a result of the early termination of the contract of service (fixed salary and variable remuneration, based on the last annual salary) and the additional payment amounting to one year's salary (fixed salary and variable remuneration, based on the last annual salary). The entitlement to the severance payment is due on termination of the contract of service. There is no entitlement to a severance payment if the contract of service would also have ended automatically within the following 12 months regardless of the change of control, or if the Company gives or was entitled to give the Executive Board member effective extraordinary notice of termination for good cause within the meaning of BGB section 626.

Supervisory Board remuneration

The Supervisory Board remuneration is based on AktG, the Company's Articles of Association as amended, and relevant resolutions passed at the Annual General Meeting. Furthermore, the structure of the Supervisory Board remuneration is reviewed periodically to

check its compliance with German, EU, and international corporate-governance recommendations and regulations. The German Corporate Governance Code's recommendations and suggestions have special relevance in this context.

At the Annual General Meeting on June 16, 2021, a resolution was passed with a 98.77% majority of the valid votes cast to adjust the remuneration for Supervisory Board members and amend the Articles of Association accordingly (Article 15) with effect for the fiscal year that commenced on January 1, 2021.

The new remuneration structure for the Supervisory Board members includes fixed annual remuneration, committee remuneration, and reimbursement of expenses.

Supervisory Board members who only sit on or chair the Supervisory Board or a committee for part of a fiscal year receive a prorated amount of remuneration.

Fixed annual remuneration

Regular Supervisory Board members receive fixed annual remuneration of €30 thousand. The chair of the Supervisory Board is given compensation of triple that amount, i.e., €90 thousand, while the deputy chair is given double the amount, i.e., €60 thousand.

Committee remuneration

Members of Supervisory Board committees receive additional fixed remuneration for their role on these committees. Regular committee members receive fixed annual remuneration of €2 thousand. The chair of the Audit Committee received additional fixed annual remuneration of €20 thousand for his or her role on the committee. The chair of the Supervisory Board and deputy chair of the Supervisory Board do not receive additional fixed remuneration for their roles on committees. Remuneration is not paid for membership on committees that did not hold meetings during the fiscal year. All committee remuneration is payable after the conclusion of the Annual General Meeting at which a resolution is passed to approve the actions for the preceding fiscal year.

Reimbursement of expenses

Alongside the fixed annual remuneration and committee remuneration, Supervisory Board members are reimbursed for expenses that they incur as part of their Supervisory Board role. This reimbursement also includes the value added tax charged on these expenses.

The total remuneration awarded and due to the Supervisory Board members during the 2021 fiscal year amounted to €276 thousand (previous year: €161 thousand) overall. The year-over-year rise is mainly because of the increase in the fixed remuneration. The fixed remuneration for the chair of the Supervisory Board increased by €30 thousand to €90 thousand. The fixed remuneration for deputy chair of the Supervisory Board increased by €15 thousand to €60 thousand. Prof. Hütten also joined the Supervisory Board as an additional member.

During the 2021 fiscal year, Mr. Bestmann additionally provided the Company with his expertise from being an entrepreneur and industry expert in due diligence. Mr. Bestmann invoiced the Company a consulting fee of €11 thousand net for this work, which the Company paid in full. The Supervisory Board was informed of the engagement of and invoicing by Mr. Bestmann and approved it in accordance with AktG section 114(1), with Mr. Bestmann abstaining from the vote.

Components of awarded and due Supervisory Board remuneration

€ thousand	Start/ exit	Most recent position	Fixed components		Total remuneration
			Fixed annual remuneration	Committee remuneration	
Current members					
Dr. Ottmar Belker	Aug. 2017	Chairman	90	0	90
Michael Schuster	Aug. 2017	Deputy Chairman	60	0	60
Andreas Peiker	Dec. 2018	Member	30	2	32
Martin Bestmann	Feb. 2020	Member	30	2	32
Dr. Cornelius Liedtke	Sep. 2020	Member	30	0	30
Prof. Christoph Hütten	Apr. 2021	Member	21	11	32
Total			261	15	276

Comparison of total remuneration

The table in this section provides a comparison of the year-over-year changes in the total remuneration for the Executive and Supervisory Boards and in the Company's income as well as the developments in the average remuneration for full-time-equivalent employees in the Group over the last five fiscal years. Profit or loss for the period refers to the net profit for the fiscal year of Brockhaus Technologies AG (HGB). EBITDA means the earnings before interest, taxes, depreciation, and amortization of the Group (IFRS). The decrease of 20% in average remuneration of full-time-equivalent employees in 2021 is mostly attributable to the consolidation of Bikeleasing upon change of control in December. The prior-year period has not been adjusted.

Future Executive Board member remuneration

The BKHT Supervisory Board passed a resolution for a new system for remunerating the Executive Board members at its meeting on May 12, 2021. The new system is intended to comply with the AktG provisions introduced with the amendment for the implementation of Shareholder Rights Directive II with effect from January 1, 2021. The Company's development has also had a hand in making this change to the remuneration system necessary. With the initial public offering in the 2020 fiscal year, three subsidiaries, and goals of making new acquisitions and continuing to grow organically, the Company needs to adapt its remuneration system to its new business strategy.

The new remuneration system for members of the Executive Board, which was approved at the Annual General Meeting on June 16, 2021, is applicable for all new contracts of service for Executive Board members. It primarily includes a fixed salary, variable remuneration, and fringe benefits.

The fixed salary, which serves the purpose of basic fixed remuneration, is agreed based on the duties and services performed by each Executive Board member and payable in twelve equal monthly installments. It is consistent with the previous fixed salary.

The Executive Board members may be granted the following fringe benefits or fringe benefits that are similar to the following, that is, to

Five-year comparison

Year-over-year percentage change	2017/18	2018 (short)	2019	2020	2021
Governing-body member remuneration					
Current Executive Board members					
Marco Brockhaus (CEO)	n.a.	n.a.	+204	+151	-6
Dr. Marcel Wilhelm	n.a.	n.a.	+160	+184	+30
Current Supervisory Board members					
Dr. Ottmar Belker (Chairman)	n.a.	-58	+140	0	+50
Michael Schuster (Deputy Chairman)	n.a.	-57	+131	+27	+58
Andreas Peiker	n.a.	n.a.	+900	0	+7
Martin Bestmann	n.a.	n.a.	n.a.	n.a.	+28
Dr. Cornelius Liedtke	n.a.	n.a.	n.a.	n.a.	+233
Prof. Christoph Hütten	n.a.	n.a.	n.a.	n.a.	n.a.
Company income					
Profit or loss for the period	n.a.	+36	-227	-325	+26
EBITDA	n.a.	-40	+197	+556	-95
Average remuneration of full-time-equivalent employees					
	n.a.	n.a.	n.a.	n.a.	-20

account for technological progress or reflect new insurance products:

- > Company car (including for private usage)
- > Smartphone (including for private usage)
- > Accident insurance and life insurance policies
- > Premiums for public or private health insurance and contributions to private retirement plan

The Supervisory Board defines the total value of the fringe benefits for each fiscal year based on its reasonable discretion. The total value is limited to 10% of the fixed salary of the relevant Executive Board member per fiscal year and Executive Board members must declare it on their tax returns.

A significant change to the previous remuneration for Executive Board members concerns their variable remuneration. In the future, it will be divided into single-year variable remuneration and multiple-year variable remuneration. Since the Company's business model is based on, firstly, developing its subsidiaries and investments and, secondly, acquiring further investments, the single-year variable remuneration is comprised of a portfolio component and an acquisition component. The portfolio component has a focus on the development of BKHT investments that have existed for a longer period of time, while the acquisition component is based on the development of recently acquired BKHT investees. The Supervisory Board defines the proportions that the portfolio and acquisition components have in the single-year variable remuneration based on its reasonable discretion before the beginning of each fiscal year. The proportion that any one of the components has in the single-year variable remuneration cannot exceed 70%.

The multiple-year variable remuneration is to be calculated based solely on the share price development initially. This is intended to take account of successful business strategy realization over the long term. Using the development of the share price as a parameter is also intended to align the interests of the Executive Board members with those of the shareholders.

Moreover, the Company has defined maximum remuneration for each Executive Board member. This maximum amount incorporates all remuneration components. The remuneration awarded for a fiscal year is limited to a maximum amount of €5 million gross for the Chief Executive Officer and a maximum amount of €3 million gross for each further Executive Board member. The maximum amounts are each defined as the sum of all payments resulting from the remuneration provisions for a given fiscal year.

For the purpose of the specific implementation the new remuneration system, the Supervisory Board carried out a horizontal remuneration comparison with the help of an independent remuneration advisor. The peer group used to this end is comprised of SDAX-listed companies and exchange-listed private equity firms.

Independent Auditor's Report

To Brockhaus Technologies AG, Frankfurt am Main

REPORT ON THE AUDIT OF THE REMUNERATION REPORT

We have audited the attached remuneration report of Brockhaus Technologies AG, Frankfurt am Main, for the financial year from 1 January to 31 December 2021, including the related disclosures, prepared to meet the requirements of Section 162 AktG [Aktien-gesetz: German Stock Corporation Act].

Responsibilities of Management and the Supervisory Board

The management and the Supervisory Board of Brockhaus Technologies AG are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. The management and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of the remuneration report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts, including the related disclosures, in the remuneration report. The procedures selected depend on the auditor's professional judgement. This includes an assessment of the risks of material misstatement, whether due to fraud or error, in the remuneration report, including the related disclosures. In assessing these risks, the auditor considers the internal control system relevant for

the preparation of the remuneration report, including the related disclosures. The objective is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the Supervisory Board, as well as evaluating the overall presentation of the remuneration report, including the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the financial year from 1 January to 31 December 2021, including the related disclosures, complies in all material respects with the financial reporting requirements of Section 162 AktG.

Other matter – formal examination of the remuneration report

The substantive audit of the remuneration report described in this independent auditor's report includes the formal examination of the remuneration report required by Section 162(3) AktG, including issuing an assurance report on this examination. As we have issued an unqualified opinion on the substantive audit of the remuneration report, this opinion includes the conclusion that the disclosures pursuant to Section 162(1) and (2) AktG have been made, in all material respects, in the remuneration report.

Limitation of liability

The terms governing this engagement, which we fulfilled by rendering the aforesaid services to Brockhaus Technologies AG, are set out in the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as amended on 1 January 2017. By taking note of and using the information as contained in this auditor's report, each recipient confirms to have taken note of the terms and conditions laid down therein (including the limitation of liability of

EUR 4 million for negligence under Clause 9 of the General Engagement Terms) and acknowledges their validity in relation to us.

Frankfurt am Main, 4 May 2022

KPMG AG
Wirtschaftsprüfungsgesellschaft

(Original German version signed by)

Fox	Kast
Wirtschaftsprüfer	Wirtschaftsprüfer
(German public auditor)	(German public auditor)