BROCKHAUS
TECHNOLOGIES

Report by the Executive Board on the exclusion of the shareholders' subscription rights in connection with the utilization of Authorized Capital 2022/I in accordance with Section 203 (2) Sentence 2 in connection with Section 186 (4) Sentence 2 of the German Stock Corporation Act

In connection with the acquisition of the Bikeleasing-Service Group, the Executive Board made partial use of Authorized Capital 2020 in an amount of €560,829.00 with the Supervisory Board's approval. The Executive Board will be reporting to the Annual General Meeting on the details of the utilization of Authorized Capital 2020 including the reasons for this. As a result of such partial utilization, Authorized Capital 2020 has decreased.

Therefore, the Executive Board and the Supervisory Board will be asking the shareholders under item 7 of the agenda to grant new authorization to issue fresh capital of up to €5,473,818.00 on a cash and/or non-cash basis with the possibility of excluding the shareholders' subscription rights (Authorized Capital 2022/I). Upon the new Authorized Capital 2022/I taking effect, the previous Authorized Capital 2020 is to be canceled. The Executive Board is submitting the following written report on this matter in accordance with Section 203 (2) in connection with Section 186 (4) Sentence 2 of the German Stock Corporation Act:

The amount of €5,473,818.00 proposed for Authorized Capital 2022/I corresponds to 50% of the Company's present share capital. The authorization will remain in force for five years.

Authorized Capital 2022/I is proposed since this enables the Company 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 law to do justice to this situation. Reasons for using authorized capital may in particular be to strengthen the Company's equity base and to finance the acquisition of equity interests. The latter aspect in particular is of key importance for Brockhaus Technologies AG's business.

Shareholders generally have subscription rights when Authorized Capital 2022/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) of the German Stock Corporation Act.

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

a) Exclusion of subscription rights in connection with fractional amounts

The Executive Board is authorized to exclude from the shareholders' subscription rights fractional amounts arising from the scope of the equity issue in question and the determination of a practicable subscription ratio. This ensures an even subscription ratio and facilitates the execution of the issue of the subscription rights. The resultant dilution effect for the shareholders is only minor. The new shares excluded from the shareholders' subscription rights ("free fractionals") are used in the Company's best interests.

b) Exclusion of subscription rights in connection with non-cash share issues

It is also to be possible for the shareholders' subscription rights to be excluded in connection with the non-cash issue of new shares. 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 other entities, parts of entities, equity interests in entities or other assets and rights. Accordingly, the Executive Board is to be placed in a position allowing it to react flexibly to opportunities arising in national and international markets and to keep the costs of raising capital within reasonable limits while preserving the Company's liquidity. Consequently, the Company's competitiveness can be reinforced and its profitability and enterprise value enhanced.

In individual cases, it may be necessary in the light of the Company's specific interests for the seller to be offered new shares in consideration of the acquisition of the assets in question. For this reason, the proposed authorization ensures optimum financing of the acquisition against the issuance of new shares and increases the Company's equity base. Moreover, sellers frequently insist on receiving shares in consideration of the acquisition as this may be less expensive for them and also indirectly gives them a share of the opportunities and risks of the entities. As well as this, the Company's corporate strategy provides for majority investments to be preferably acquired in entities 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 entities acquired. In such a situation, issuing shares may create an incentive for the seller to identify not only with the subsidiary concerned but with the entire Brockhaus Technologies Group. 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 scope to act on acquisition opportunities swiftly, flexibly and in a manner that preserves its liquidity and allows it to acquire even larger entities in consideration of the grant of shares. The Company and its shareholders are not placed at any disadvantage 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. In utilizing this authorization, the Company's Executive Board will carefully consider the valuation ratio and ensure that the interests of the Company and its shareholders are duly taken into account and that a reasonable issue price is achieved for the new shares.

c) **Exclusion of shareholders' subscription rights in the case of a cash equity issue of up to 10%.**

In addition, it is also to be possible for the shareholders' subscription rights to be excluded in connection with cash equity issues of up to 10% of the Company's share capital existing as of the date on which the authorization takes effect or the date on which it is exercised provided that in accordance with Section 186 (3) Sentence 4 of the German Stock Corporation Act the new shares are issued at an amount that is not materially less than the listed share price ("simplified exclusion of subscription rights"). The simplified exclusion of subscription rights is a situation governed by law allowing the shareholders' subscription rights to be excluded.

The authorization to exclude the shareholders' subscription rights enables the Executive Board to act on market opportunities swiftly and flexibly and to raise the necessary capital at very short notice, if necessary, without any obligation to observe the subscription period of at least two weeks. In this case, the new shares must be issued at a price close to the listed price. In the case of listed shares, this price is normally subject to a smaller discount than in the case of an equity issue for which the subscription rights are not excluded. In addition, it may be possible to reach new shareholder groups 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 including other cases in which Section 186 (3) Sentence 4 of the German Stock Corporation Act is applied directly or with corresponding modifications takes into account the shareholders' interest in preventing a proportionate dilution of their shareholdings. Thus, the 10% restriction includes shares (i) which are issued or sold during the term of the authorization subject to the exclusion of the shareholders' subscription rights in direct application of Section 186 (3) Sentence 4 of the German Stock Corporation Act or with any corresponding modifications or (ii) which are or may be issued to honor bonds and/or profit-participation rights with conversion and/or option rights or obligations provided that these financial instruments are issued after this authorization takes effect subject to the exclusion of the shareholders' subscription rights in accordance with Section 186 (3) Sentence 4 of the German Stock Corporation Act. Shareholders wishing to retain their shareholding ratio can do so by buying additional shares via the stock market.

The simplified exclusion of subscription rights is contingent upon the issue price of the new shares not being materially less than the listed share price. This reasonably takes account of the need to prevent any dilution of the shares held by the shareholders. In accordance with the legal assessment of Section 186 (3) Sentence 4 of the German Stock Corporation Act and after weighing up the circumstances outlined above, the Executive Board believes that the exclusion of the shareholders' subscription rights within the confines outlined above preserves the shareholders' interests as well as those of the Company, particularly by providing it with the necessary flexibility.

d) Exclusion of subscription rights in connection with the issue of shares to holders of financial instruments with conversion and/or option rights or obligations.

Moreover, the shareholders' subscription rights are to be excluded in connection with cash equity issues as far as it is necessary to grant subscription rights to holders of bonds or profit-participation rights with conversion and/or option rights or obligations issued by the Company or Group entities in which the Company directly or indirectly holds a majority interest on the basis of authorization granted by the shareholders to receive new shares in the Company in an amount to which they would be entitled as shareholders after the exercise of the option or conversion rights or the settlement of the option or conversion obligations or the exercise of any alternative authorization on the part of the Company.

The conditions for the issue of bonds or profit-participation rights with conversion and/or option rights or 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, the shareholders' subscription rights for these shares must be excluded. This facilitates the placement of the shares and thus serves the shareholders' interests in having an optimum financing structure for the Company. In addition, the exclusion of the shareholders' subscription rights in favor of the holders or creditors of these financial instruments has an advantage in that, upon the authorization being utilized, the option or conversion price for the holders or creditors of financial instruments already in existence does not have to be reduced. This enables a higher inflow of funds to be achieved and is thus in the interests of the Company and its shareholders.

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

In addition, the Executive Board is to be authorized to exclude the shareholders' subscription rights in connection with a scrip dividend. With 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, the scrip dividend is executed as a genuine rights issue subject to the shareholders' subscription rights and in accordance with the principle of equal treatment (Section 53a of the German Stock Corporation Act). Depending on the situation on the capital market, it may be preferable to implement a scrip dividend in such a way that the Executive Board offers all dividend-entitled shareholders new shares under Authorized Capital 2022/I in accordance with the principle of equal treatment (Section 53a of the German Stock Corporation Act) in return for them surrendering their dividend claim, while formally excluding the shareholders' subscription rights in their entirety. The execution of the scrip dividend subject to the formal exclusion of the shareholders' subscription rights enables this to be done on more favorable terms 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 new shares and excess dividend amounts are settled by paying cash dividends, the exclusion of the shareholders' subscription rights is justified and reasonable. When making a decision on the way in which shares are to be issued or a combination of different ways for them to be issued in order to finance such measures, the Executive Board will be guided solely by the interests of the Company and the shareholders.

f) Exclusion of shareholders' subscription rights for other reasons

In addition to the exclusion of the shareholders' subscription rights for the reasons outlined above, the Executive Board will also have the right to exclude the subscription rights for other reasons subject to the Supervisory Board's approval. However, the Executive Board may only exclude the shareholders' subscription rights 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 the exclusion of the shareholders' 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 each individual case, the Executive Board will carefully examine whether to make use of the authorization to issue new shares subject to the exclusion of shareholders' subscription rights.

It will only do this if in the view of the Executive Board and the Supervisory Board this is in the Company's interests and, hence, also those of the Company.

The Executive Board will report at the next Annual General Meeting on the utilization of Authorized Capital 2022/I.

Frankfurt/Main, May 2022

Brockhaus Technologies AG

The Executive Board

(Original German version signed by)

Marco Brockhaus   Dr. Marcel Wilhelm