

## Annual General Meeting of Deutsche Beteiligungs AG, 27 May 2025

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### **Written report of the Board of Management pursuant to sections 203 (2) sentence 2, 186 (4) sentence 2 of the AktG on agenda item 9 regarding the reasons for the authorisation of the Board of Management to exclude shareholders' subscription rights in respect of the utilisation of the Authorised Capital 2025**

The authorisation of the Board of Management resolved upon by the Annual General Meeting on 22 February 2024, agenda item no. 12, to increase the Company's share capital by up to 13,346,664.34 euros through the issuance of new no-par value registered shares in exchange for cash and/or non-cash contributions by 21 February 2029 (Authorised Capital 2024), subject to the approval of the Supervisory Board, has not yet been utilised. In June 2024, the Management Board, with the consent of the Supervisory Board, exercised an authorisation granted by the Annual General Meeting on 22 February 2024 under agenda item 13 to exclude subscription rights by issuing convertible bonds with a total nominal amount of 100 million euros against cash contributions, excluding shareholders' subscription rights in accordance with Section 186 (3) sentence 4 of the AktG. Due to the limitation of the exclusion of subscription rights to twenty percent of the share capital under the Authorised Capital 2024, taking into account shares to be issued to service convertible bonds issued under exclusion of subscription rights, the authorization to exclude subscription rights contained in the Authorised Capital 2024 has been almost completely exhausted. In view of this, the Authorised Capital 2024 is to be cancelled and replaced by a new Authorised Capital 2025. As before, the Authorised Capital 2025 is intended to have a volume of approximately twenty per cent of the current share capital; the option of excluding subscription rights when new shares are issued shall continue to be restricted to a total of twenty per cent of the share capital, with any shares issued under exclusion of subscription rights on the basis of any other authorisation counting towards this maximum limit.

Both the Board of Management and the Supervisory Board will therefore propose at the Annual General Meeting, under agenda item 9, that the existing Authorised Capital 2024 be cancelled and new Authorised Capital 2025 of up to 13,346,664.34 euros be created.

For reasons of flexibility, it is intended that the Authorised Capital 2025 may also be used for both capital increases for cash as well as contributions in kind. As a rule, the Company's shareholders have a subscription right in connection with capital increases from the Authorised Capital 2025. Shareholders may be granted the statutory subscription right in such a way that the shares are underwritten by one or more credit institutions, securities institutions or companies within the meaning of section 186 (5) sentence 1 of the AktG specified by the Board of Management, subject to the obligation that said credit institutions offer said shares to shareholders for subscription (so-called indirect subscription right).

However, subject to approval by the Supervisory Board, the Board of Management shall also be authorised to exclude shareholders' subscription rights:

- to exclude fractional amounts from the shareholders' subscription right;
- where the new shares are issued against cash contributions and the issue price of the new shares is not significantly lower than the market price of the shares already listed at the time of finally determining the issue price. The number of shares so issued, excluding shareholders' subscription rights, must not exceed a total of twenty per cent of the share capital, neither as at the date this authorisation enters into effect nor as at the date of its exercise. Any other shares that are issued or sold during the term of this authorisation, excluding subscription rights, in direct or analogous application of section 186 (3) sentence 4 of the AktG will count towards the maximum limit of twenty per cent of the share capital. Likewise, any shares that are to be issued to service option or conversion rights or to fulfil option or conversion obligations under convertible bonds and/or bonds cum warrants and/or profit-participation certificates will also count towards this limit, provided that any such bonds or profit-participation certificates are issued during the term of this authorisation, excluding subscription rights, in analogous application of section 186 (3) sentence 4 of the AktG;

- where the capital is increased against contributions in kind, in particular for the purpose of merging companies or acquiring companies, parts of companies, equity interests in companies or other assets or claims to the acquisition of other assets, including claims against the Company;
- to the extent required to grant holders or creditors of bonds cum warrants or convertible bonds with option or conversion rights, or option or conversion obligations, issued by the Company or by companies in which the Company holds, directly or indirectly, a majority interest, a subscription right for new shares to the extent they would be entitled to upon the exercise of said option or conversion rights or the fulfilment of said option or conversion obligations;
- where the new shares are to be issued under an employee share ownership plan or other share-based programmes to employees of the Company or employees of an affiliated company of the Company or members of the top management of an affiliated company of the Company, so long as the employment relationship with the Company or the membership on a corporate body of or the employment relationship with an affiliated company exists at the time of committing to the share issuance. To the extent permitted by section 204 (3) sentence 1 of the AktG, the contribution to be paid for the new shares may be funded by that portion of the net income for the year that is available to the Board of Management and the Supervisory Board for posting to other retained earnings pursuant to section 58 (2) of the AktG. The number of shares so issued, excluding shareholders' subscription rights, must not exceed a total of five per cent of the share capital, neither as at the date this authorisation enters into effect nor at the time when this authorisation is utilised;
- to pay a stock dividend in connection with which shares of the Company (whether in whole or in part or optionally) are issued against the contribution of shareholders' dividend claims (stock dividend, so-called scrip dividend);

and only where the number of shares issued during the term of this authorisation on the basis of this authorisation or on the basis of any other authorised capital, excluding shareholders' subscription rights, against cash and/or non-cash contributions does not exceed a total of twenty per cent of the share capital, i.e. neither as at the date of this authorisation entering into effect nor at the time when this authorisation is utilised. The following will count towards the aforementioned twenty-per-cent limit:

- treasury shares sold during the term of this authorisation, excluding subscription rights; as well as
- new shares to be issued as a result of convertible bonds and/or bonds cum warrants and/or profit-participation certificates issued during the term of this authorisation.

The Board of Management renders the following report pursuant to sections 203 (2) sentence 2, 186 (4) sentence 2 of the AktG regarding this authorisation to exclude shareholders' subscription rights subject to Supervisory Board approval:

#### **(1) Exclusion of subscription right for fractional amounts**

It is intended to initially exclude the subscription right for fractional amounts. The purpose of this authorisation is to achieve a feasible subscription ratio with regard to the amount of the relevant capital increase. If the subscription right was not excluded in respect of the fractional amount, this would render the technical implementation of a capital increase much more difficult, particularly when increasing the share capital by an even amount. As freely marketable fractions, the new shares excluded from the shareholders' subscription right will either be sold at the stock exchange or otherwise disposed of on a "best efforts" basis. For these reasons, both the Board of Management and the Supervisory Board consider the authorisation to exclude subscription rights to be appropriate.

#### **(2) Exclusion of the subscription right if the issue price of the new shares does not fall significantly short of the market price and the shares issued in such a manner, excluding the subscription right, do not exceed a total of twenty per cent of the share capital**

Moreover, subscription rights are to be excluded if the new shares are issued in accordance with sections 203 (1), 186 (3) sentence 4 of the AktG against cash contribution for an amount that does not fall significantly short of the market price or if the proportion of share capital attributed, in total, to the shares issued does not exceed twenty per cent of the share capital, i.e. neither as at the date this authorisation enters into effect nor at the time the authorisation is exercised. The authorization will enable the Company to cover any short-term capital requirements, thus putting it in a position to leverage market opportunities both quickly and flexibly. The exclusion of the subscription right facilitates a very fast response without having to conduct a costly and time-consuming subscription procedure; it also allows for placement close to the prevailing market price, i.e. without the discount that is customary for subscription rights issues. In addition, the Company is put in a position to gain new investors, both within Germany and abroad, through such capital increase. By utilising the authorisation, the Board of Management will — subject to Supervisory Board approval — keep the discount on the market price as low as is possible in view of the prevailing market conditions at the time of making the final determination of the issue price. In no case will the discount on the market price be more than five per cent of the market price.

Furthermore, the volume of the rights issue against cash contributions, with the subscription right being excluded, pursuant to section 186 (3) sentence 4 of the AktG (as amended by the ZuFinG) is limited to twenty per cent of the share capital at the time of the authorisation entering into effect or — if this amount is lower — at the time of exercising the authorisation to exclude the subscription right. Any shares that were issued from any other authorised capital or sold as treasury shares during the term of the authorisation, subject to subscription right exclusion, whether in direct or analogous application of section 186 (3) sentence 4 of the AktG, will count towards this twenty-per-cent limit. Likewise, any shares that are to be issued to service option or conversion rights or to fulfil option or conversion obligations under bonds cum warrants or convertible bonds and/or profit-participation certificates will also count towards this limit, provided that any such Bonds or profit-participation certificates are issued during the term of the authorisation, excluding subscription rights, in analogous application of section 186 (3) sentence 4 of the AktG; This limitation accommodates shareholders' need to protect their shareholdings against dilution. As the new shares will be placed at a price that is close to the market price, all shareholders can acquire shares at virtually the same conditions in the market in order to maintain their percentage of shares held.

### **(3) Exclusion of subscription right for capital increase through non-cash contributions**

Moreover, the Company is intended to have the ability to exclude shareholders' subscription rights if the capital is increased against contributions in kind, in particular for the purpose of merging companies or acquiring companies, parts of companies, equity interests in companies or other assets or claims to the acquisition of other assets, including claims against the Company. This would provide the Company with the necessary room for manoeuvre in order to leverage — promptly, flexibly and with minimum impact on liquidity — any opportunities that may arise for the acquisition of other companies (or parts thereof) or interests in other companies, or for business combinations or the acquisition of other assets that are material to the Company, such as assets in connection with an acquisition project, in order to improve its competitive position and to strengthen its earnings power. The consideration payable as part of such transactions is often very large indeed and may require forms of payment other than cash. In fact, the owners of attractive target companies or other attractive acquisition targets often demand consideration in the form of voting shares in the buyer's company. So that the Company will be able to also acquire such companies or acquisition targets or assets, the Company must be in a position to offer shares as consideration. As this type of acquisition in most cases takes place at very short notice, it can usually not be resolved upon by the Annual General Meeting which — hence the name — takes place only once a year. This requires the creation of authorised capital to which the Board of Management — subject to Supervisory Board approval — has ready access. When determining the pricing ratio in such cases, the Board of Management will ensure that shareholder interests are appropriately safeguarded. In doing so, the Board of Management will take into account the market price of the Company's share. The Board of Management will only make use of this authorisation if the exclusion of the subscription right is, in the specific case, in the best interests of the Company. At present, there are no concrete acquisition plans in connection with which to utilise the proposed authorisation for capital increases in exchange for non-cash contributions, subject to the exclusion of shareholders' subscription rights.

### **(4) Exclusion of subscription rights to the extent required to grant holders or creditors of bonds cum warrants and convertible bonds with option or conversion rights, or option or conversion obligations, a subscription right for new shares to the extent they would be entitled to upon the exercise of said option or conversion rights or the fulfilment of said option or conversion obligations**

Furthermore, it should be possible to exclude subscription rights to the extent required to grant holders or creditors of any bonds cum warrants and/or convertible bonds (collectively referred to as the "Bonds"), issued by the Company or its Group companies at the time the Authorised Capital 2025 was utilised, a subscription right to new shares, as they would be entitled to upon the exercise of the option or conversion right or the fulfilment of an option or conversion obligation under these Bonds. In order to facilitate the placing of Bonds on the capital market, the respective Bond Terms generally contain a protection against dilution. One option in connection with such protection against dilution would be that, for subsequent shares issues, the holders or creditors of Bonds are granted the same subscription right to new shares as shareholders are entitled to. That would put them in the same position as existing shareholders. In order to be able to attach such protection against dilution to the Bonds, the shareholders' subscription right to the new shares must be excluded. This would facilitate the placement of the Bonds and therefore safeguards the interests of shareholders in an Optimum financial structure of the Company.

Alternatively, the option or conversion price could be lowered to protect against dilution, provided that the Bond Terms permit this. However, this would be more complicated and costly for the Company in its implementation. In addition, it would also reduce the capital flow from the exercise of option and/or conversion rights or the fulfilment of option and/or conversion obligations. It would also be conceivable to issue Bonds without protection against dilution. However, these would have much less market appeal.

### **(5) Exclusion of subscription rights if the new shares are intended to be issued under an employee share ownership plan or other share-based programmes to employees of the Company or employees of an affiliated company of the Company or members of the top management of an affiliated company of the Company**

Furthermore, the Authorised Capital 2025 is intended to provide the Company with the option of issuing new shares under an employee share ownership plan or other share-based programmes to employees of the Company or employees of an affiliated company of the Company or members of the top management of an affiliated company of the Company. To the extent permitted by section 204 (3) sentence 1 of the AktG, it is intended to create the option of funding the contribution to be made

for the new shares from that portion of the net income for the year that the Board of Management and the Supervisory Board can post to other retained earnings pursuant to section 58 (2) of the AktG. This would facilitate the settlement of the share issue and also takes into account the fact that the concessionary or gratuitous issuance of new shares to employees and/or executives is remuneration in nature. The issuance of shares to employees and/or executives is privileged under the law, as it promotes identification with the company and fosters the willingness to take on shared responsibility in the company. In addition, share-based remuneration offers the opportunity to align the remuneration of employees and/or executives in suitable cases with the long-term sustainable corporate development, whereby multi-year holding periods are usually agreed. In order to be able to issue new shares to employees of the Company or to employees of affiliated companies of the Company or to members of the top management of an affiliated company of the Company, it is necessary to exclude shareholders' subscription rights. The number of shares issued for this purpose, excluding shareholders' subscription rights, must not exceed a total of five per cent of the share capital, neither as at the date this authorisation enters into effect nor at the time when this authorisation is utilised.

**(6) Exclusion of subscription rights to pay a stock dividend in connection with which shares of the Company (whether in whole or in part or optionally) are issued against the contribution of shareholders' dividend claims (stock dividend, so-called scrip dividend)**

Furthermore, it is intended to authorise the Board of Management to exclude subscription rights in order to implement a so-called scrip dividend. A scrip dividend is associated with a proposal to shareholders to assign their claim to payment of a cash dividend, arising upon the adoption of the Annual General Meeting's resolution on the appropriation of profits, to the Company in order to receive new shares in the Company in return. A scrip dividend may be implemented by way of an offer addressed to all shareholders, while maintaining the subscription right and observing the principle of equal treatment. In practice, scrip dividends are implemented by offering shareholders only full shares for subscription; with regard to that portion of their dividend entitlement that either does not reach or exceed the subscription price for a full share, shareholders are restricted to receiving a cash dividend and cannot acquire shares in this respect. In general, there is no offer of fractional interests and no trade in subscription rights or fractions thereof, as shareholders receive a pro-rated cash dividend in lieu of the subscription of shares. However, it is also intended to authorise the Board of Management to exclude shareholders' subscription rights when implementing a scrip dividend in order to be able to implement the scrip dividend under the best possible conditions. Depending on the capital market situation, it may be advantageous to implement the scrip dividend such that the Board of Management can offer all shareholders who are entitled to a dividend Company shares for subscription, in compliance with the general principle of equal treatment (section 53a of the AktG), against the assignment of their dividend rights, thus granting shareholders a beneficial subscription right, while at the same time legally excluding shareholders' subscription rights to new shares. Such an exclusion of subscription rights facilitates the flexible implementation of the scrip dividend. Given the fact that all shareholders will be offered new shares and excess dividend amounts will be compensated for by dividend payments in cash, the exclusion of the subscription rights appears to be justified and appropriate in this case.

**(7) Utilisation of the authorisation and limitation of the subscription right exclusion to a total of twenty per cent of the share capital**

Moreover, the Board of Management is only authorised to exclude the subscription right in accordance with paragraphs (1) to (6) above, when utilising the Authorised Capital 2025, to the extent that the proportion of share capital attributed to the shares issued during the term of this authorisation, excluding subscription rights, on the basis of this authorisation or shares issued from any other authorised capital does not exceed a total of twenty per cent of the share capital, i.e. neither as at the date this authorisation enters into effect nor at the time the authorisation is exercised. In doing so, treasury shares sold during the term of this authorisation, excluding subscription rights, as well as new shares to be issued during the term of this authorisation, excluding subscription rights, on the basis of convertible bonds and/or bonds cum warrants and/or profit participation certificates, excluding subscription rights, will count towards this twenty-per-cent limit. This capital cap limits the total volume of shares issued without subscription rights. Shareholders thus enjoy additional protection against the dilution of their shareholdings.

Please note that in addition to the new Authorised Capital 2025 proposed under agenda item 9 while at the same time revoking the existing Authorised Capital 2024, the Company still has a Conditional Capital 2024/I in the amount of 13,346,664.34 euros to service bonds cum warrants and/or convertible bonds. The authorisation to exclude subscription rights in the case of capital increases from the Authorised Capital 2025 and to exclude subscription rights in the case of issuing bonds cum warrants and/or convertible bonds is limited to a total of twenty per cent of the share capital. In addition, the Company will have the authorisation to acquire treasury shares of up to ten per cent of the share capital proposed under agenda item 10, under cancellation of the existing authorisation. Own shares acquired on the basis of this or an earlier authorisation may be sold to the same extent, excluding shareholders' subscription rights. Treasury shares sold subject to the exclusion of subscription rights would also count towards the above capital limit for subscription right exclusion from Authorised Capital 2025 if they are sold during the term of the Authorised Capital 2025.

Both the Board of Management and the Supervisory Board will carefully review, on a case-by-case basis, whether they would utilise the authorisation for a capital increase, excluding shareholders' subscription rights. This option will only be utilised if both the Board of Management and the Supervisory Board consider this to be in the best interests of the Company and thus of its shareholders.

The Board of Management will notify the next ordinary Annual General Meeting with regard to the utilisation of the above authorisations to exclude subscription rights.

Frankfurt/Main, April 2025

Deutsche Beteiligungs AG

The Board of Management