– CONVENIENCE TRANSLATION –

Annual General Meeting

of Mutares SE & Co. KGaA on 10 July 2023

Report of the General Partner on agenda item 8 (Resolution on the cancellation of Authorized Capital 2019/I and the creation of a new Authorized Capital 2023/I with the option to exclude subscription rights and on the corresponding amendment to the Articles of Association)

Under agenda item 8 of the Annual General Meeting on 10 July 2023, the General Partner, the Shareholders' Committee and the Supervisory Board propose to cancel the Authorized Capital 2019/I subject to the condition precedent of the registration of the new Authorized Capital 2023/I and to create a new authorized Capital (Authorized Capital 2023/I). Pursuant to Section 278(3) German Stock Corporation Act (Aktiengesetz, AktG) in conjunction with Section 203(2) sentence 2 German Stock Corporation Act (AktG) in conjunction with Section 186(4) sentence 2 German Stock Corporation Act (AktG), the General Partner submits this report to the Annual General Meeting under agenda item 8 on the reasons for the authorization to exclude shareholders' subscription rights upon issuance of the new shares.

As a fast-growing Private Equity Investor, the Company is dependent on being able to flexibly and comprehensively strengthen its equity as needed. Accordingly, the existing Authorized Capital 2019/I shall be cancelled and replaced by a new authorized capital and the Articles of Association shall be amended accordingly. The volume of the new Authorized Capital 2023/I amounts to 40 % of the current share capital of the Company.

The new authorized capital proposed under item 8 point b) of the agenda of the Annual General Meeting on 10 July 2023 shall authorize the General Partner to increase the share capital of the Company in the period until 9 July 2028, with the consent of the Supervisory Board, once or several times by a total of up to EUR 8,254,692.00 by issuing up to 8,254,692 new no-par value registered shares against contributions in cash and/or in kind ("**Authorized Capital 2023/I**").

The Authorized Capital 2023/I is intended to enable the Company to continue to raise the capital required for further expansion on the capital markets on a short notice by issuing new shares and to flexibly take advantage of a favorable market environment to cover future financing needs quickly. Since decisions on the coverage of future capital requirements usually have to be made at short notice, it is important that the company is not dependent on the rhythm of the Annual General Meetings or on the long period of notice for an Extraordinary General Meeting. The legislator has taken these circumstances into account with the instrument of the "authorized capital".

When using the Authorized Capital 2023/I for the issue of shares against cash contributions, the shareholders generally have a subscription right (Section 203(1) sentence 1 German Stock Corporation Act (AktG) in conjunction with Section 186(1) German Stock Corporation Act), whereby an indirect subscription right within the meaning of Section 186(5) German Stock Corporation Act (AktG) is also sufficient. The issue of shares with the granting of such an indirect subscription right is already not regarded as an exclusion of subscription rights according to the law. The shareholders are ultimately granted the same subscription rights as in the case of a direct subscription. For technical reasons, only one or more credit institutions are involved in the transaction.

However, the General Partner is to be authorized, with the approval of the Supervisory Board, to exclude subscription rights in certain cases.

a) The General Partner shall be able to exclude subscription rights for fractional amounts with the approval of the Supervisory Board. The purpose of this exclusion of subscription rights is to facilitate the handling of an issue with shareholders' subscription rights in principle, as this enables a technically feasible subscription ratio to be represented. The value of the fractional amounts per shareholder is generally low, so the potential dilution effect is also to be regarded as low. In contrast, the cost of the issue without such an exclusion is significantly higher. The exclusion therefore serves the purpose of practicability and ease of execution of an issue. The new shares excluded from the shareholders' subscription rights as free fractions will be utilized in the best possible way for the Company either by sale on the stock market or in some other way. The General Partner and the Supervisory Board consider the possible exclusion of subscription rights for these reasons to be objectively justified and, after weighing up the interests of the shareholders, also appropriate.

b) Subscription rights may also be excluded in the case of cash capital increases if the shares are issued at an amount which is not significantly lower than the price on the stock market and such a capital increase does not exceed 10 % of the share capital (simplified exclusion of subscription rights pursuant to Section 186(3) sentence 4 German Stock Corporation Act (AktG)). The authorization enables the Company to respond quickly and flexibly to favorable capital market situations and to place the new shares at very short notice, i.e. without the requirement for a subscription offer lasting at least two weeks. The exclusion of subscription rights makes it possible to act very quickly and place the shares close to the market price, i.e. without the usual discount for subscription issues. This creates the basis for achieving the highest possible disposal amount and the greatest possible strengthening of equity. The authorization to simplify the exclusion of subscription rights is objectively justified not least by the fact that a higher inflow of funds can often be generated.

   Such a capital increase may not exceed 10 % of the share capital existing at the time the authorization becomes effective and also at the time it is exercised. The proposed resolution also contains a set-off clause. The maximum 10 % of the share capital covered by this exclusion of subscription rights shall include shares issued or to be issued to service bonds with conversion or option rights or with conversion or option obligations pursuant to Section 221(4) sentence 2 German Stock Corporation Act (AktG) in conjunction with Section 186(3) sentence 4 German Stock

Corporation Act (AktG) during the term of this authorization with exclusion of subscription rights, insofar as these bonds were issued with exclusion of subscription rights in analogous application of Section 186(3) sentence 4 German Stock Corporation Act (AktG) during the term of this authorization. Furthermore, the sale of treasury shares shall be counted insofar as it takes place during the term of this authorization with exclusion of subscription rights based on an authorization pursuant to Section 71(1) No. 8 sentence 5 half-sentence 2 German Stock Corporation Act (AktG) in conjunction with Section 186(3) sentence 4 German Stock Corporation Act (AktG). Shares issued during the term of the Authorized Capital 2023/I from another authorized capital pursuant to Section 203(2) sentence 1 German Stock Corporation Act (AktG) in conjunction with Section 186(3) sentence 4 German Stock Corporation Act (AktG) or on the basis of other capital measures in corresponding application of Section 186(3) sentence 4 German Stock Corporation Act (AktG) shall also be included.

The simplified exclusion of subscription rights is subject to the condition that the issue price of the new shares is not significantly lower than the stock market price. Any discount from the current price on the stock market or a volume-weighted price on the stock market during an appropriate number of trading days prior to the final determination of the issue price is not expected to exceed approximately 5 % of the corresponding price on the stock market, subject to special circumstances in individual cases. This also considers the shareholders' need for protection against dilution of the value of their shareholding. By setting the issue price close to the stock market price in this way, it is ensured that the value that a subscription right would have for the new shares is practically very low. Shareholders have the option of maintaining their relative shareholding by purchasing additional shares via the stock market.

c) The subscription right may also be excluded in the case of capital increases against contributions in kind. In particular, the Company shall continue to be able to acquire companies, parts of companies, interests in companies or other assets or to respond to offers for acquisitions or mergers in order to drive forward its further expansion and increase its earning power and enterprise value. Furthermore, the exclusion of subscription rights is intended to service conversion or option rights or conversion or option obligations arising from bonds issued against contributions in kind.

Practice shows that the shareholders of attractive acquisition targets partially have a strong interest – e.g. in order to maintain a certain influence on the object of the contribution in kind – in acquiring no-par value shares in the Company as consideration. From the point of view of an optimum financial structure, another argument in favor of the possibility of paying the consideration not exclusively in cash but also in shares or only in shares is that, to the extent that new shares can be used as acquisition currency, the Company's liquidity is protected, borrowing is avoided and the sellers participate in future share price opportunities. This leads to an improvement in the Company's competitive position in acquisitions.

The possibility of using shares in the Company as an acquisition currency thus gives the Company the necessary scope to seize such acquisition opportunities quickly and flexibly and enables it to acquire even larger units in return for shares. It should also be possible to acquire other assets in return for shares under certain circumstances. For both, it must be possible to exclude shareholders' subscription rights. Because such acquisitions often must be made at short notice, it is important that they are not usually approved by the Annual General Meeting, which is held only once a year. Authorized capital is required, which the General Partner can access quickly with the approval of the Supervisory Board.

The same applies to the servicing of conversion or option rights or conversion or option obligations arising from bonds that are also issued for the purpose of acquiring companies, parts of companies or interests in companies or other assets on the basis of the authorization under agenda item 7 of the Annual General Meeting on May 23 2019, with the exclusion of shareholders' subscription rights. The new shares will be issued against contributions in kind, either in the form of the bond to be contributed or in the form of the contribution in kind made on the bond. This leads to an increase in the flexibility of the Company in servicing the conversion of option rights or conversion or option obligations. The offer of bonds instead of or in addition to the granting of shares or cash payments can be an attractive alternative which, due to its additional flexibility, further increases the Company's competitive opportunities in acquisitions. Shareholders are protected by the subscription rights to which they are entitled when bonds with conversion or option rights or conversion or option obligations are issued.

The cases in which subscription rights for bonds with conversion or option rights or conversion or option obligations can be excluded were explained in the report of the Management Board on agenda item 7 to the Annual General Meeting on May 23 2019. If opportunities arise to merge with other companies or to acquire companies, parts of companies or interests in companies or other assets, the General Partner will in each case carefully examine whether it should make use of the authorization to increase capital by granting new shares. This shall include in particular the examination of the valuation relationship between the Company and the acquired shareholding or other assets and the determination of the issue price of the new shares and the further conditions of the rights issue. The General Partner will only use the authorized capital if it is convinced that the merger or acquisition of the company or part of the company or the acquisition of the shareholding in return for the granting of new shares is in the well-understood interests of the Company and its shareholders. The Supervisory Board will only give its required approval if it has also reached this conclusion.

d) In addition, the General Partner shall be able, with the approval of the Supervisory Board, to exclude subscription rights to the extent necessary to grant subscription rights for new shares to holders or creditors of convertible bonds, bonds with warrants, profit participation rights and/or participating bonds (or combinations of these instruments) (hereinafter collectively referred to as "**bonds**"). Bonds with conversion or option rights or conversion or option obligations regularly provide for protection against dilution in their terms and conditions of issue, granting the holders or creditors subscription rights to new shares in the event of subsequent rights issues and certain other measures. They are thus placed in the same position as if they were already shareholders. In order to provide the bonds with such protection against dilution, the subscription rights of shareholders to these shares must be excluded. This serves to facilitate the placement of bonds and thus the interests of the shareholders in an optimal financial structure of the Company. In addition, the exclusion of subscription rights in favor of the holders or creditors of bonds has the advantage that, if the right is exercised, the option or conversion price for the holders or creditors of existing bonds does not need to be reduced in accordance with the respective terms and conditions of the bonds. This enables a higher inflow of funds and is therefore in the interests of the Company and its shareholders.

e) In addition, subscription rights may be excluded in order to issue new shares to members of the Management Board of the General Partner or of the representative body of a company affiliated with the Company within the meaning of Section 15 German Stock Corporation Act (AktG) or to employees of the Company or of a company affiliated with the Company within the meaning of Section 15 German Stock Corporation Act (AktG). Issuing shares to managers and/or employees promotes identification with the company and encourages them to assume joint responsibility within the company. Share-based compensation also offers the opportunity to align the compensation of executives and/or employees with a sustainable corporate development in appropriate cases. Within the framework permitted by Section 204(3) sentence 1 German Stock Corporation Act (AktG), the option is to be granted to cover the contribution to be made on the new shares from that part of the net income for the year which the General Partner, with the approval of the Shareholders' Committee, could transfer to other revenue reserves pursuant to Section 58(2) German Stock Corporation Act (AktG) in conjunction with Article 26(3) of the Articles of Association of the Company. This facilitates the processing of the rights issue and is in line with the fact that the issue in these cases is of a remuneration nature. Insofar as the new shares are to be issued to members of the Management Board of the General Partner, the decision on the granting of the shares will be made not by the Management Board of the General Partner but by the Shareholders' Committee of the Company.

f) Finally, the subscription right may be excluded for the purpose of implementing a stock dividend, in the context of which shares of the Company are issued (also partially and/or optionally) against contribution of dividend claims of the shareholders.

This is intended to enable the Company to distribute a stock dividend on optimum terms. In the case of a stock dividend, shareholders are offered the option of contributing to the Company all or part of their claims to payment of the dividend arising from the resolution on the appropriation of profits adopted by the Annual General Meeting as a contribution in kind in exchange for new shares in the Company. The distribution of a stock dividend may be made as a rights issue, in particular in compliance with the provisions of Section 186(1) German Stock Corporation Act (minimum subscription period of two weeks) and Section 186(2) German Stock Corporation Act (AktG) (announcement of the issue amount no later than three days before expiry of the subscription period). In individual cases, however, depending on the capital market situation, it may be preferable to structure the distribution of a stock dividend in such a way that the General Partner indeed offers all shareholders entitled to dividends new shares for subscription against contribution of their dividend entitlement, subject to the general principle of equal treatment (Section 53a German Stock Corporation Act (AktG)), thus economically granting the shareholders a subscription right, but legally excluding the shareholders' subscription right to new shares as a whole.

Such an exclusion of subscription rights enables the distribution of the share dividend without the aforementioned restrictions of Section 186(1) and (2) German Stock Corporation Act (AktG) and thus on more flexible terms. In view of the fact that all shareholders will be offered the new shares and that any excess dividend amounts will be settled by cash payment of the dividend, an exclusion of subscription rights in such a case appears to be justified and appropriate.

According to this authorization, new shares may only be issued under exclusion of subscription rights if the total of the new shares together with shares issued or transferred by the Company during the term of this authorization under another authorization excluding shareholders' subscription rights or issued on the basis of a convertible bond and/or bond with warrants issued during the term of this authorization on the basis of the utilization of another authorization excluding subscription rights, do not account for more than 10 % of the Company's share capital, both at the time this authorization becomes effective and – if this amount is lower – at the time this authorization is exercised. This restriction goes beyond the statutory requirements. In this way, the impairment of shareholders is to be kept within narrow limits and shareholders are to be protected against a possible excessive dilution of their shares when new shares are issued – whether from authorized or conditional capital.

There currently are no concrete plans to utilize the Authorized Capital 2023/I. The General Partner will in any case carefully consider whether the utilization of the authorization is in the interest of the Company and its shareholders.

If the General Partner makes use of one of the above authorizations to exclude subscription rights in connection with a capital increase from the Authorized Capital 2023/I during a financial year, it will report on this at the following Annual General Meeting.

Munich, in May 2023

signed **Robin Laik**
CEO

signed **Mark Friedrich**
Member of the Management Board,
CFO

signed **Johannes Laumann**
Member of the Management Board,
CIO