

– CONVENIENCE TRANSLATION –

Annual General Meeting

of Mutares SE & Co. KGaA on 4 June 2024

Report of the General Partner on agenda item 11 (Resolution on the granting of a new authorisation to issue convertible bonds, bonds with warrants, profit participation rights and/or participating bonds (or combinations of these instruments) with the option to exclude subscription rights, the cancellation of Conditional Capital 2019/I, the creation of Conditional Capital 2024/I and the corresponding amendment to the Articles of Association)

Under agenda item 11 of the Annual General Meeting on 4 June 2024, the General Partner, the Shareholders' Committee and the Supervisory Board propose to create a new authorisation to issue convertible bonds, bonds with warrants, profit participation rights and/or participating bonds (or combinations of these instruments) (hereinafter jointly referred to as "**bonds**") with the option to exclude shareholders' subscription rights and the corresponding Conditional Capital 2024/I cancelling the existing Conditional Capital 2019/I.

Pursuant to sec. 278 para. 3 German Stock Corporation Act (*Aktiengesetz, AktG*) in conjunction with sec. 221 para. 4 sentence 2 German Stock Corporation Act in conjunction with sec. 186 para. 4 sentence 2 German Stock Corporation Act, the General Partner submits this report on agenda item 11 of the Annual General Meeting on the reasons for the authorisation to exclude shareholders' subscription rights when issuing the Bonds.

The General Partner, the Shareholders' Committee and the Supervisory Board consider it expedient to resolve such an authorisation and new conditional capital to increase flexibility, among other things.

To ensure an appropriate use of the range of possible capital market instruments that securitize conversion or option rights, it appears appropriate to set the permissible issue volume in the authorisation at EUR 135,000,000.00. The conditional capital, which serves to fulfil the conversion or option rights or conversion or option obligations, shall amount to EUR 2,105,875.00 - i.e. no more than 10% of the Company's share capital existing at the time of the resolution of the Annual General Meeting on this authorisation. This ensures that this authorisation can be fully utilised. The number of shares required to fulfill conversion or option rights, conversion or option obligations or to grant shares instead of the cash amount due from a bond with a certain issue volume generally depends on the market price of the Company's share at the time the bond is issued. If a sufficient issue volume is available, the possibility of making full use of the authorisation for the issue of bonds is ensured.

Adequate capitalisation is fundamental for the Company's development. By issuing convertible bonds and bonds with warrants the Company can utilise attractive financing

options depending on the market situation to provide the Company with capital at a low current interest rate. By issuing profit participation rights with conversion or option rights, the interest rate can also be based on the Company's current dividend, for example. The conversion and option premiums gained benefit the Company when they are issued. Practice shows that some financing instruments can only be placed by granting option or conversion rights.

When bonds are issued, shareholders must generally be granted a subscription right to the bonds (sec. 221 para. 4 German Stock Corporation Act in conjunction with sec 186 para. 1 German Stock Corporation Act). The bonds may also be acquired by a credit institution, a securities institution or a company operating in accordance with sec. 53 para. 1 sentence 1 or sec. 53b para. 1 sentence 1 or para. 7 German Banking Act (*Kreditwesengesetz, KWG*) (financial institution) or a syndicate of such credit or financial institutions with the obligation to offer them indirectly to the shareholders for subscription within the meaning of sec. 186 para. 5 German Stock Corporation Act (so-called indirect subscription right). This is not a restriction of the shareholders' subscription rights. The shareholders are ultimately granted the same subscription rights as in the case of a direct subscription. For technical reasons, only one or more financial institutions are involved in the settlement.

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

- a) The General Partner shall be authorised to exclude subscription rights for fractional amounts with the approval of the Supervisory Board. This exclusion of subscription rights is intended to facilitate the handling of an issue with shareholders' subscription rights in principle, as this allows a technically feasible subscription ratio to be established. 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 is significantly higher without such an exclusion. The exclusion therefore serves the purpose of practicability and ease of execution of an issue. For these reasons, the General Partner, the Shareholders' Committee and the Supervisory Board consider the possible exclusion of subscription rights to be objectively justified and, taking into account the interests of the shareholders, also appropriate.
- b) Furthermore, the General Partner shall be able to exclude subscription rights with the approval of the Supervisory Board in order to grant the holders or creditors of bonds that have already been or will be issued by the Company or a dependent Company or a Company in which a majority interest is held directly or indirectly, a subscription right to the extent to which they would be entitled as shareholders after exercising the option or conversion rights or after fulfilment of conversion or option obligations. This offers the possibility to grant the holders of bonds already issued or still to be issued at this time a subscription right as protection against dilution instead of a reduction in the option or conversion price. Providing bonds with such dilution protection is in line with the market standard.
- c) Furthermore, the General Partner shall be authorised to exclude this subscription right with the approval of the Supervisory Board in corresponding application of sec. 278 para. 3 German Stock Corporation Act in conjunction with sec. 221 para. 4

sentence 2 German Stock Corporation Act in conjunction with sec. 186 para. 3 sentence 4 German Stock Corporation Act when issuing bonds with conversion or option rights or conversion or option obligations against cash payment if the issue price of the bonds is not significantly lower than their theoretical value determined using recognized, in particular financial mathematical methods. This can be expedient to quickly take advantage of favourable stock market situations and to be able to place a bond on the market quickly and flexibly at attractive conditions. As the stock markets can be volatile, achieving the most favourable issue result possible often depends to a greater extent on whether it is possible to react to market developments at short notice. Favourable conditions that are as close to market conditions as possible can generally only be set if the Company is not tied to them for an excessively long offer period. In the case of rights issues, a not inconsiderable haircut is generally required to ensure the chances of success of the issue for the entire offer period. Sec. 221 para. 4 sentence 2 German Stock Corporation Act in conjunction with sec. 186 para. 2 German Stock Corporation Act allows the subscription price (and thus, in the case of bonds with warrants and convertible bonds, the conditions of these bonds) to be published by the third last day of the subscription period. In view of the volatility of the stock markets, however, there is still a market risk over several days, which leads to safety discounts when determining the bond conditions. Also, when granting a subscription right, an alternative placement with third parties is more difficult or involves additional expense due to the uncertainty of exercise (subscription behavior). Finally, if a subscription right is granted, the Company cannot react at short notice to a change in market conditions due to the length of the subscription period, which can lead to less favourable capital procurement for the Company.

The interests of the shareholders are safeguarded by ensuring that the bonds are not issued at a price significantly below the theoretical value determined using recognized, in particular financial mathematical methods. When setting the price, the General Partner will take into account the respective situation on the capital market and keep the discount on the theoretical value determined using recognized, in particular financial mathematical methods as low as possible. This means that the calculated value of a subscription right will be so low that the shareholders will not suffer any notable economic disadvantage as a result of the exclusion of subscription rights.

Conditions can also be set in line with the market and thus avoid a notable dilution of value by the Management Board carrying out a so-called bookbuilding process. In this procedure, investors are asked to submit purchase applications based on preliminary bond terms and conditions, specifying, for example, the interest rate and/or other economic components deemed to be in line with the market. After the end of the bookbuilding period, the terms and conditions still outstanding at that time, e.g. the interest rate, will be set in line with the market according to supply and demand on the basis of the purchase requests submitted by investors. In this way, the total value of the bonds is determined close to the market. Through such a bookbuilding process, the General Partner can ensure that no significant dilution of the value of the shares occurs as a result of the exclusion of subscription rights.

Shareholders also have the opportunity to maintain their share in the Company's share capital by acquiring it on the stock exchange at approximately the same terms. This ensures that their financial interests are adequately protected. The authorisation to exclude subscription rights in accordance with sec. 278 para. 3 German Stock Corporation Act in conjunction with sec. 221 para. 4 sentence 2 German Stock Corporation Act in conjunction with sec. 186 para. 3 sentence 4 German Stock Corporation Act only applies to bonds with rights to shares representing a proportionate amount of the share capital of no more than 10% of the share capital, neither at the time this authorisation becomes effective nor at the time it is exercised.

This limit shall include those shares (i) that are sold during the term of this authorisation on the basis of an authorisation to sell treasury shares in accordance with sec. 278 para. 3 German Stock Corporation Act in conjunction with sec. 71 para. 1 no. 8 sentence 5 half-sentence 2 German Stock Corporation Act in conjunction with sec. 186 para. 3 sentence 4 German Stock Corporation Act with the exclusion of shareholders' subscription rights, (ii) which are issued during the term of this authorisation from authorised capital with the exclusion of subscription rights in accordance with sec. 278 para. 3 German Stock Corporation Act in conjunction with sec. 203 para. 2 sentence 1 German Stock Corporation Act in conjunction with sec. 186 para. 3 sentence 4 German Stock Corporation Act or (iii) on the basis of other capital measures in corresponding application of sec. 186 para. 3 sentence 4 German Stock Corporation Act. This also includes shares that were or can be issued to service convertible bonds or bonds with warrants or profit participation rights with conversion or option rights, provided that the underlying bonds are issued in the future during the term of this authorisation up to this point in time with the exclusion of subscription rights in accordance with sec. 278 para. 3 German Stock Corporation Act in conjunction with sec. 186 para. 3 sentence 4 German Stock Corporation Act. This offsetting is in the interest of shareholders in minimising the dilution of their shareholding.

- d) Bonds may also be issued against contributions in kind, in particular in order to be able to offer the bonds to third parties in the context of business combinations or for the purpose of (also indirect) acquisition of companies, parts of companies, equity interests in companies or other assets or claims to the acquisition of assets or claims against the Company or its group companies within the meaning of sec. 18 German Stock Corporation Act, provided this is in the interests of the Company. In this case, the General Partner is authorised, with the approval of the Supervisory Board, to exclude shareholders' subscription rights, provided that the value of the contribution in kind is in reasonable proportion to the theoretical market value of the bonds determined using recognized principles of financial mathematics. This offers the possibility to use bonds as acquisition currency in suitable individual cases, e.g. in connection with the acquisition of companies, equity interests in companies or other assets. Practice has shown that it is often necessary in negotiations to provide the consideration not in cash, but also or exclusively in another form. The possibility to offer bonds as consideration thus creates an advantage in competition for interesting acquisition targets as well as the necessary room for manoeuvre to take advantage of opportunities to acquire - even larger - companies, equity interests or other assets, while preserving liquidity. This can also be helpful for an optimised financing

structure. The General Partner will carefully examine in each individual case whether it will make use of the authorisation to issue bonds with conversion or option rights or conversion or option obligations against contributions in kind with exclusion of subscription rights. It will only do so if this is in the interests of the Company and therefore its shareholders.

Insofar as profit participation rights or participating bonds without conversion or option rights or conversion or option obligations are to be issued, the General Partner is authorised, with the approval of the Supervisory Board, to exclude the shareholders' subscription rights altogether if these profit participation rights or participating bonds are structured in a manner similar to debt securities, i.e. do not confer any membership rights in the Company, do not grant any participation in liquidation proceeds and the amount of interest is not based on the amount of the annual surplus, the net profit or the dividend. It is also necessary that the interest rate and the issue amount of the profit participation rights or participation bonds correspond to the current market conditions for comparable borrowings at the time of issue. If the aforementioned requirements are met, the exclusion of subscription rights does not result in any disadvantages for the shareholders, as the profit participation rights or participating bonds do not establish any membership rights and do not grant any participation in the liquidation proceeds or profits of the Company. Although it is possible to stipulate that the interest payment depends on the existence of an annual surplus, a balance sheet profit or a dividend. Nevertheless, it would not be permissible to stipulate that a higher annual surplus, a higher balance sheet profit or a higher dividend would lead to a higher interest rate. Therefore, neither the voting rights nor the shareholders' participation in the Company and its profits are changed or diluted by the issue of profit participation rights or participating bonds. In addition, there is no significant subscription right value as a result of the issue conditions in line with the market, which are mandatory for this case of exclusion of subscription rights.

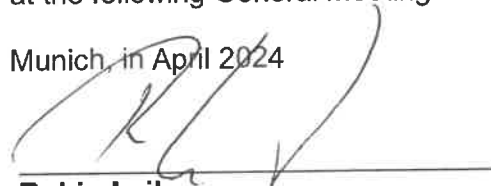
According to this authorisation, bonds may only be issued with the exclusion of shareholders' subscription rights if the total of the new shares to be issued on the basis of such a bond, together with shares which are issued or transferred by the Company during the term of this authorisation under another authorisation excluding shareholders' subscription rights or which are to be issued on the basis of a convertible bond and/or bond with warrants issued during the term of this authorisation on the basis of the exercise of another authorisation excluding subscription rights, do not account for more than 10% of the Company's share capital at the time this authorisation comes into effect. 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 from a possible excessive dilution of their shares when new shares are issued - whether from authorised or conditional capital.

The intended Conditional Capital 2024/I serves to fulfil conversion or option rights or conversion or option obligations on shares of the Company from issued bonds or to grant the creditors or holders of bonds shares of the Company instead of payment of the cash amount due. It is also envisaged that the conversion or option rights or conversion or option obligations may instead be fulfilled by the delivery of treasury shares or shares from authorised capital or by other payments.

There are currently no concrete plans to utilize the authorisation to issue bonds. In each case, the General Partner will carefully examine whether exercising the authorisation is in the interest of the Company and its shareholders.

If the General Partner makes use of one of the above authorisations to exclude subscription rights in connection with the issue of bonds during a financial year, it will report on this at the following General Meeting.

Munich, in April 2024



Robin Laik
CEO of the Management Board of
the General Partner



Mark Friedrich
Member of the Management Board of
the General Partner, CFO