

– CONVENIENCE TRANSLATION –

Annual General Meeting

of Mutares SE & Co. KGaA on 4 June 2024

Report of the General Partner on agenda item 12 (Resolution on the authorisation to acquire and use treasury shares, including the authorisation to redeem acquired treasury shares and to reduce capital as well as to exclude subscription rights)

Under agenda item 12, the General Partner, the Shareholders' Committee and the Supervisory Board propose to authorise the Company to acquire treasury shares until 3 June 2029 up to a total of 10% of the share capital existing at the time the resolution is adopted by the Annual General Meeting or – if this value is lower – of the share capital existing at the time the authorisation is exercised.

Pursuant to sec. 278 para. 3 German Stock Corporation Act (*Aktiengesetz, AktG*) in conjunction with sec. 71 para. 1 no. 8 sentence 5 half-sentence 2 German Stock Corporation Act in conjunction with sec. 186 para. 4 sentence 2 German Stock Corporation Act, the General Partner submits the following report on agenda item 12 of the Annual General Meeting on the reasons for the authorisation to exclude shareholders' subscription rights when using the acquired treasury shares:

The Company's Annual General Meeting on 23 May 2019 authorised the General Partner to acquire treasury shares up to a total of 10% of the share capital by the end of 22 May 2024. On the basis of this authorisation, the Company repurchased a total of 210,600 shares with a total transaction volume of EUR 2,499,822.00 in the financial year 2020. The Company's Annual General Meeting on 22 May 2015 had previously authorised the Management Board to acquire treasury shares up to a total of 10% of the share capital by the end of 21 May 2020. On the basis of this authorisation, the Company acquired a total of 261,875 shares. The Company therefore held 472,475 treasury shares at the end of the financial year 2020. The Company used 462,000 treasury shares to service share options exercised under the mutares Share Option Plan 2016. Since then, the number of treasury shares held by the Company has totalled 10,475. In the financial year 2023, the Company used the remaining 10,475 treasury shares to also service share options exercised under the mutares Share Option Plan 2016. Since then, the Company has no longer held any treasury shares.

The authorisation granted by the Company's Annual General Meeting on 22 May 2015 expired at the end of 21 May 2020. The authorisation granted by the Company's Annual General Meeting on 23 May 2019 will expire before this year's Annual General Meeting. The Company is therefore no longer authorised to acquire treasury shares. In order to restore the Company's full scope for action and future flexibility with regard to the acquisition and use of treasury shares, the Company is therefore to be granted a new authorisation.

The authorisation may be exercised once or several times, in full or in partial amounts and in pursuit of one or several purposes. The treasury shares may be acquired by the Company itself and by dependent companies or companies in which the Company holds a majority interest or by third parties acting for the account of the Company or for the account of dependent companies or companies in which the Company holds a majority interest.

Treasury shares may be acquired via the stock exchange or by way of a public purchase offer. The principle of equal treatment of shareholders in accordance with sec. 278 para. 3 German Stock Corporation Act in conjunction with sec. 53a German Stock Corporation Act must be observed in the acquisition. The proposed acquisition via the stock exchange or by way of a public purchase offer takes this into account. If the number of shares tendered in a public purchase offer exceeds the purchase volume envisaged by the Company, the shares will be purchased proportionately according to the ratio of shares tendered per shareholder. However, irrespective of the number of shares tendered by the shareholder, a preferential purchase of small quantities of up to 100 shares per shareholder may be provided for. This option serves to avoid fractional amounts when determining the quotas to be acquired and small residual holdings, thereby facilitating technical processing. Shares with a tender price set by the shareholder at which the shareholder is poised to sell the shares to the Company and which is higher than the purchase price set by the Company are not taken into account in the acquisition.

- a) The proposed authorisation stipulates that acquired treasury shares can be redeemed without a further resolution of the General Meeting or can be resold on the stock exchange or by way of an offer to all shareholders. The redemption of treasury shares generally leads to a reduction of the Company's share capital. However, the General Partner is also authorised to redeem treasury shares in the simplified procedure without a reduction of the share capital in accordance with sec. 278 para. 3 German Stock Corporation Act in conjunction with sec. 237 para. 3 no. 3 German Stock Corporation Act. This would increase the proportion of the remaining shares in the share capital in accordance with sec. 278 para. 3 German Stock Corporation Act in conjunction with sec. 8 para. 3 German Stock Corporation Act (calculated nominal amount) on a *pro rata* basis. In this case, the General Partner is also authorised to adjust the number of shares stated in the Articles of Association. The principle of equal treatment under stock corporation law is observed in both of the aforementioned disposal methods.
- b) The proposed authorisation also provides that acquired treasury shares may be used to implement a scrip dividend in the context of which shares in the Company are issued (also partially and/or optionally) in return for the contribution of shareholders' dividend entitlements. This is intended to enable the Company to distribute a scrip dividend at optimal conditions. In the case of a scrip dividend, shareholders are offered the opportunity to contribute all or part of their entitlement to payment of the dividend arising from the Annual General Meeting's resolution on the appropriation of profits to the Company as a contribution in kind in order to receive new shares in the Company in return. The distribution of a scrip dividend can be carried out as a rights issue, in particular in compliance with the provisions of sec. 278 para 3 German Stock Corporation Act in conjunction with sec. 186 para. 1 German Stock Corporation Act (minimum subscription period of two weeks) and sec. 278 para 3

German Stock Corporation Act in conjunction with sec. 186 para. 2 German Stock Corporation Act (announcement of the issue amount no later than three days before the end of the subscription period). In individual cases, however, depending on the capital market situation, it may be preferable to organise the distribution of a scrip dividend in such a way that the General Partner offers new shares to all shareholders entitled to dividends in compliance with the general principle of equal treatment (sec. 278 para 3 German Stock Corporation Act in conjunction with sec. 53a German Stock Corporation Act) in return for the contribution of their dividend entitlement and thus economically grants shareholders a subscription right, but legally excludes shareholders' subscription rights to new shares altogether. Such an exclusion of subscription rights enables the distribution of a scrip dividend without the aforementioned restrictions of sec. 278 para 3 German Stock Corporation Act in conjunction with sec. 186 para. 1 and 2 German Stock Corporation Act and therefore on more flexible terms. In view of the fact that all shareholders will be offered the new shares and any excess dividend amounts will be settled in the form of a cash dividend payment, an exclusion of subscription rights in such a case appears justified and appropriate.

- c) In addition, the General Partner (or the Shareholders' Committee, insofar as members of the Management Board of the General Partner are affected) shall be able to use treasury shares in connection with various remuneration programmes. The remuneration programmes serve to incentivise the programme participants in a targeted manner and at the same time are intended to bind the participants to the Company:
 - aa) They may be offered, promised or transferred to persons who are or were in an employment relationship with the Company or an affiliated Company within the meaning of sec. 15 German Stock Corporation Act, as well as to members of executive bodies of (i) the Company, (ii) the General Partner of the Company or (iii) companies affiliated with the Company, either in return for payment or free of charge; the shares offered, promised or transferred may also be transferred to the beneficiaries after the termination of the executive body or employment relationship. The shares may also be transferred to 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, which assumes the shares with the obligation to use them exclusively for the purposes set out in sentence 1. Shareholders' subscription rights are excluded in this respect.
 - bb) They may be offered for purchase and transferred to the beneficiaries to service the share options issued under the Company's share option programme described under agenda item 14 of the Annual General Meeting of the Company on 23 May 2019 (Mutares Share Option Plan 2019). Shareholders' subscription rights are excluded in this respect.
 - cc) They may be offered for purchase and transferred to the beneficiaries to service the share options issued under the Company's share option programme

described under agenda item 7 of the Annual General Meeting of the Company on 20 May 2021 (Mutares Share Option Plan 2021). Shareholders' subscription rights are excluded in this respect.

- d) It shall also be possible for the General Partner to offer and transfer treasury shares in return for contributions in kind, particularly in the context of business combinations or the acquisition of companies, operations, parts of companies or equity interests. The aforementioned shares may also be used for the termination or settlement of corporate litigation at affiliated companies of the Company. Shareholders' subscription rights are excluded in this respect. The authorisation proposed for this reason is intended to strengthen the Company in the competition for interesting acquisition targets and enable it to react quickly, flexibly and in a liquidity-preserving manner to acquisition opportunities that arise. The proposed exclusion of shareholders' subscription rights takes this into account. The decision as to whether treasury shares or shares from authorised capital are used in individual cases is made by the General Partner, whereby it is guided solely by the interests of the Company and the shareholders. When valuing treasury shares and the consideration for them, the General Partner will ensure that the interests of the shareholders are adequately safeguarded. In doing so, the General Partner will take into account the stock market price of the Company's shares; a schematic link to a stock market price is not envisaged, in particular so that negotiation results once achieved cannot be jeopardised again by fluctuations in the stock market price.
- e) The General Partner shall also be able to sell the acquired treasury shares to third parties for cash, excluding shareholders' subscription rights, provided that the price at which the treasury shares are sold is not significantly lower than the stock market price (including a regulated unofficial market listing) of a share in the Company at the time of sale. This authorisation makes use of the option of simplified exclusion of subscription rights permitted under sec. 278 para. 3 German Stock Corporation Act in conjunction with sec. 71 para. 1 no. 8 sentence 5 German Stock Corporation Act in conjunction with sec. 186 para. 3 sentence 4 German Stock Corporation Act. This enables the General Partner to seize favourable stock market situations quickly and flexibly and to achieve the highest possible resale price by setting a price close to the market, thereby regularly strengthening the shareholders' equity or attracting new groups of investors. The authorisation is subject to the proviso that the shares issued with the exclusion of subscription rights may not exceed a total of 10% of the share capital, either at the time the resolution is adopted or at the time the authorisation is exercised. Shares issued or sold during the term of the resale authorisation in direct or corresponding application of sec. 186 para. 3 sentence 4 German Stock Corporation Act are to be counted towards this limit. 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. 186 para. 3 sentence 4 German Stock Corporation Act. The financial and voting right interests of the shareholders are adequately safeguarded when treasury shares are sold in this way. In principle, shareholders have the option of maintaining their shareholding quota under comparable conditions by purchasing shares on the stock exchange.


By limiting the number of shares to be sold and the obligation to set the selling price of the new shares close to the market price, shareholders are adequately protected against a dilution in the value of their shares. At the same time, it is ensured that the consideration to be realised by the Company is appropriate.

- f) In addition, the Company shall also be able to utilise treasury shares to service acquisition obligations or acquisition rights to shares in the Company arising from and in connection with convertible bonds, bonds with warrants, profit participation rights and/or participating bonds (or combinations of these instruments) with conversion or option rights or conversion or option obligations issued by the Company or one of its Group companies. In order to provide the Company with the flexibility to repurchase the convertible bonds, bonds with warrants, profit participation rights and/or participating bonds (or combinations of these instruments) with conversion or option rights or conversion or option obligations issued by the Company or one of its Group companies ahead of schedule, the treasury shares shall also be able to be offered to their holders as consideration and transferred to them. To this end, the shareholders' subscription rights has to be excluded in each case. This also applies in the event of a sale of treasury shares through an offer to all shareholders for the possibility of also granting the creditors of such instruments subscription rights to the shares to the extent to which they would be entitled if the respective conversion or option rights or conversion or option obligations had already been exercised (protection against dilution).
- g) Finally, the General Partner is authorised to exclude any fractional amounts in the event of an offer to all shareholders. This is necessary for the technical processing of such an offer in order to avoid the issue of fractions of shares. The General Partner will utilise the shares excluded from shareholders' subscription rights as so-called free fractions either by selling them on the stock exchange or otherwise in the best possible way for the Company.

The authorisation may be exercised with regard to shares in the Company that were acquired on the basis of this or previous authorisations to acquire treasury shares.

The General Partner will report on any utilisation of this authorisation at the next General Meeting in accordance with sec. 278 para. 3 German Stock Corporation Act in conjunction with sec. 71 para. 3 sentence 1 German Stock Corporation Act.

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