

– CONVENIENCE TRANSLATION –**Annual General Meeting****of Mutares SE & Co. KGaA on 4 June 2024****Report of the General Partner on agenda item 14 (Resolution on the cancellation of Authorised Capital 2023/I and the creation of a new Authorised Capital 2024/I with the option to exclude subscription rights and on the corresponding amendment to the Articles of Association)**

Under agenda item 14 of the Annual General Meeting on 4 June 2024, the General Partner, the Shareholders' Committee and the Supervisory Board propose to cancel the Authorised Capital 2023/I subject to the condition precedent of the registration of the new Authorised Capital 2024/I and to create a new authorised capital (Authorised Capital 2024/I). Pursuant to sec. 278 para. 3 German Stock Corporation Act (*Aktiengesetz, AktG*) in conjunction with sec. 203 para. 2 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 to the Annual General Meeting under agenda item 14 on the reasons for the authorisation to exclude shareholders' subscription rights upon issuance of the new shares.

The authorisation of the General Partner resolved by the Annual General Meeting of the Company on 10 July 2023 under agenda item 8 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, has not yet been utilised. It is to be cancelled and replaced by a new Authorised Capital 2024/I to be able to make use of the extended option for the simplified exclusion of subscription rights in accordance with sec. 186 para. 3 sentence 4 German Stock Corporation Act, which was extended by the German Financing for the Future Act (*Zukunftsfinanzierungsgesetz, ZuFinG*) of 11 December 2023 (published in Federal Law Gazette 2023 I No 354 of 14 December 2023) up to a maximum of 20% of the share capital in the future if necessary. The possibility of excluding subscription rights when issuing new shares is also to be limited to a total of 20% of the share capital, taking into account shares issued or sold on the basis of another authorisation excluding subscription rights. The volume of the new Authorised Capital 2024/I amounts to 40% of the Company's current share capital.

One of the purposes of the German Financing for the Future Act is to meet the high financing requirements of growth companies. After the previous 10% limit was no longer considered appropriate, the legislator has now increased it to 20% in order to meet the current economic circumstances and needs of companies, including in European competition. As a fast-growing Private Equity Investor, the Company is dependent on being able to increase its equity flexibly and comprehensively as needed.

The new authorised capital proposed under item 14 lit b) of the agenda of the Annual General Meeting on 4 June 2024 shall authorise the General Partner to increase the share capital of the Company in the period until 3 June 2029, with the consent of the Supervisory

Board, once or several times by a total of up to EUR 8,423,502.00 by issuing up to 8,423,502 new no-par value registered shares against contributions in cash and/or in kind ("**Authorised Capital 2024/I**").

The Authorised Capital 2024/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 favourable 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 "authorised capital".

When using the Authorised Capital 2024/I for the issue of shares against cash contributions, the shareholders generally have a subscription right (sec. 278 para. 3 German Stock Corporation Act in conjunction with sec. 203 para. 1 sentence 1 German Stock Corporation Act in conjunction with sec. 186 para. 1 German Stock Corporation Act), whereby an indirect subscription right within the meaning of sec. 186 para. 5 German Stock Corporation Act 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 financial institution(s) are involved in the transaction.

However, the General Partner is to be authorised, 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 market price of the Company's shares already listed on the stock exchange and such a capital increase does not exceed 20% of the share capital (simplified exclusion of subscription rights pursuant to sec. 278 para. 3 German Stock Corporation Act in conjunction with sec. 203 para. 1 and 2 German Stock Corporation Act in conjunction with sec. 186 para. 3 sentence 4 German Stock Corporation Act). The authorisation

enables the Company to respond quickly and flexibly to favourable 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 rights issues. This creates the basis for achieving the highest possible disposal amount and the greatest possible strengthening of equity. The authorisation 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 20% of the share capital existing at the time the authorisation becomes effective and also at the time it is exercised. The proposed resolution also contains a set-off clause. The maximum 20% 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 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 during the term of this authorisation with exclusion of subscription rights, insofar as these bonds were issued with exclusion of subscription rights in analogous application of sec. 186 para. 3 sentence 4 German Stock Corporation Act during the term of this authorisation. Furthermore, the sale of treasury shares shall be counted insofar as it takes place during the term of this authorisation with exclusion of subscription rights based on an authorisation pursuant to 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. Shares issued during the term of the Authorised Capital 2024/I from another authorised capital pursuant to 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 on the basis of other capital measures in corresponding application of sec. 186 para. 3 sentence 4 German Stock Corporation Act 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 react in the context of business combinations or for the purpose of (also indirect) acquisitions

of companies, operations, parts of companies, interests in companies or other assets, including claims against the Company or its Group companies or 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 favour 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. An authorised capital with the option to exclude subscription rights 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 authorisation under agenda item 11 of the Annual General Meeting on 4 June 2024, 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 General Partner on agenda item 11 to the Annual General Meeting on 4 June 2024.

If opportunities arise to merge with other companies or to acquire companies, operations, parts of companies, interests in companies or other assets, the General

Partner will in each case carefully examine whether it should make use of the authorisation to increase capital by granting new shares. This shall include in particular the examination of the valuation relationship between the Company and the acquired interest in companies 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 authorised capital if it is convinced that the merger or acquisition of the company, operation, part of the company, the interest in the company or other asset 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 favour 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 against cash and/or in kind contributions, including claims against the Company, to members of the Management Board of the General Partner, members of the representative body of a company affiliated with the Company within the meaning of sec. 15 German Stock Corporation Act or to employees of the Company and its affiliated companies within the meaning of sec. 15 German Stock Corporation Act, including through the interposition of 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 of the German Banking Act (*Kreditwesengesetz, KWG*). 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 sec. 278 para. 3 German Stock Corporation Act in conjunction with sec. 204 para. 3 sentence 1 German Stock Corporation Act, 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 sec. 278 para. 3 German Stock Corporation Act in conjunction with sec. 58 para. 2 German Stock Corporation Act in conjunction with sec. 26 para. 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 scrip 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 scrip dividend on optimum terms. In the case of a scrip 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 scrip dividend may be made 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. 186 para. 2 German Stock Corporation Act (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 scrip 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 (sec. 278 para. 3 German Stock Corporation Act in conjunction with sec. 53a German Stock Corporation Act), 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 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 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.

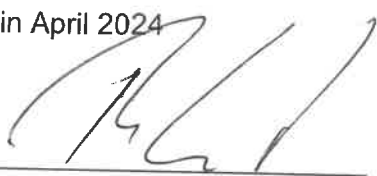
According to this authorisation, new shares may only be issued under exclusion of subscription rights if the total of the new shares together with shares issued or transferred by the Company during the term of this authorisation under another authorisation excluding shareholders' subscription rights or 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 utilization of another authorisation excluding subscription rights, do not account for more than 20% of the Company's share capital, both at the time this authorisation becomes effective and – if this amount is lower – at the time this authorisation 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 authorised or conditional capital.

There currently are no concrete plans to utilise the Authorised Capital 2024/I. The General Partner will in any case carefully consider whether the utilisation of 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 a capital increase from the Authorised Capital 2024/I during a financial year, it will report on this at the following Annual 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