

**REPORT OF THE BOARD OF DIRECTORS TO THE ANNUAL GENERAL MEETING PURSUANT TO SECTION 71 PARA 1 NO. 8 SENTENCE 5 GERMAN STOCK CORPORATION ACT IN CONJUNCTION WITH SECTION 186 PARA 4 SENTENCE 2 GERMAN STOCK CORPORATION ACT ON AGENDA ITEM 20 (AUTHORISATION FOR THE ACQUISITION AND USE OF TREASURY SHARES PURSUANT TO SECTION 71 PARA 1 NO. 8 GERMAN STOCK CORPORATION ACT, ALSO SUBJECT TO AN EXCLUSION OF THE SUBSCRIPTION RIGHT)**

In agenda item 20, the Board of Directors proposes that the Company will, subject to the registration of the Company with the commercial register, be authorised pursuant to Article 5 of the Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European Company (SE) (**SE Regulation**) in conjunction with section 71 para. 1 no. 8 German Stock Corporation Act (**AktG**), for a period until 30 June 2025, to acquire treasury shares, regardless of their class, in an extent of up to 10 % of the capital stock existing at the point in time of this authorisation becoming effective or – if this value is lower – of the capital stock existing at the point in time of the exercise of this authorisation.

The authorisation shall ensure that the Company may still make use of the authorisation to acquire treasury shares as provided for in item 16 of the agenda also after the transfer of the registered office to Germany. Therefore, the authorisation shall only take effect once the transfer of the registered office has taken place and the Company has been registered with the commercial register in Germany.

In order to give the Company the necessary flexibility, it is intended to provide for the treasury shares to be acquired both through the stock exchange and by means of a purchase offer addressed to all shareholders of the Company. If in the event of a purchase offer to all shareholders the number of shares offered at the stipulated price exceeds the number of shares required by the Company, the reapportioning may be conducted in accordance with the proportion of the shareholdings held by the tendering shareholders to each other (shareholding quotas) or in accordance with the proportion of the tendered shares (tendering quotas). The possibility of rounding serves the purpose of avoiding calculational fractions of shares. In this respect, the number of shares to be acquired by individual tendering shareholders may be rounded in such manner as is necessary in order to facilitate, from a technical handling perspective, the acquisition of whole shares. Besides, the possibility is to be granted to provide for a preferential acceptance of small numbers of shares (up to 50 tendered shares per shareholder). In particular, this possibility serves the purpose of avoiding smaller, usually economically inefficient residual shareholdings. The purchase offer may provide for additional requirements.

It is intended that the authorisation can be exercised by the Company or its group companies as defined in section 18 AktG. In addition, it is intended that the authorisation may be exercised, in compliance with statutory requirements, for any legally permissible purpose.

It is intended that the treasury shares acquired pursuant to this authorisation or authorisations granted earlier may be disposed of again through the stock exchange or by an offer to all shareholders. This way, the principle of equal treatment of the shareholders (Article 9 para. 1 lit. c (ii) of the SE Regulation in conjunction with section 53a AktG) is observed in the re-selling of the shares.

To the extent that the shares are disposed by way of an offer to all shareholders, the Board of Directors is to be authorised to exclude the subscription right of the shareholders for fractional

amounts. This serves the purpose of facilitating a subscription ratio that is technically feasible. The value of the fractional amounts per shareholder is generally low, which is why the potential dilution effect can also be regarded as low. In contrast, the effort required without such exclusion is significantly higher, which causes additional costs. The new ordinary shares excluded from the shareholders' subscription right as fractional amounts will be realised for the benefit of the Company either by disposal on the stock exchange or in another way at the best possible price.

In addition, the treasury shares which will be acquired on the basis of the authorisation to be resolved by the Annual General Meeting are to be usable for all legally permissible purposes, in particular also including the following:

- (1) The Company is to be enabled to use the treasury shares acquired pursuant to this authorisation subject to an exclusion of the subscription right for the introduction to foreign stock exchanges at which shares of the Company are not listed so far. This is a means to broaden the shareholder basis, further increase the attractiveness of the Company share as an investment object and ensure an appropriate supply of the Company with equity capital. By the intended lower limit for the initial offering price, which may fall short of the arithmetic mean of the auction closing prices of the already listed shares of the Company with the same features in Xetra trading at the Frankfurt Stock Exchange on the last 5 exchange trading days before the day of the IPO by no more than 5%, it is ensured that the consideration to be received by the Company is appropriate and the shareholders are sufficiently protected against a dilution of the value of their shares.
- (2) It is also intended for the Company to be able to have the treasury shares acquired pursuant to this authorisation in order to grant them – subject to an exclusion of the subscription right – as consideration in kind in the course of corporate mergers or for the acquisition (also indirectly) of companies, divisions of companies, operational activities, branches of activity, company interests or other assets. As an acquisition currency, treasury shares are an important instrument. The international competition and the globalisation of the economy often require this form of consideration. Besides, they can be a cost-efficient way of financing for the Company. The proposed authorisation is intended to allow the Company to quickly and flexibly make use of upcoming opportunities, both nationally and on the international markets, for the acquisition of companies, divisions of companies, operational activities, branches of activity or company interests with regard to which the consideration consists of shares, in whole or in part, in particular without the time-consuming holding of a general meeting and while also, as the case may be, maintaining confidentiality. In addition, the use of treasury shares for acquisitions has the advantage for the existing shareholders – in respect of ordinary shares – that compared to the situation before the acquisition of the treasury shares by the Company their voting right is not diluted. Currently, there are no specific acquisition projects for which treasury shares are to be used.
- (3) The resolution proposal further provides that the Company is to be enabled, subject to the requirements of section 186 para. 3 sentence 4 AktG, to dispose of the treasury shares acquired pursuant to this authorisation or authorisations granted earlier, subject to an exclusion of the subscription right, against cash payment in ways other than through the stock exchange or by an offer to the shareholders. This is intended,

in particular, to enable the Company to issue shares of the Company at short notice. Thus, the proposed authorisation serves the purpose of securing a permanent and appropriate equity capitalisation of the Company. This is subject to the precondition that in the course of the disposal the selling price must not fall short significantly of the stock market price of the already listed shares of the Company with the same features. The Board of Directors will determine a possible discount on the stock market price as small as possible in accordance with the prevailing market conditions at the point in time of the placement. The total proportionate amount of the capital stock attributable to the shares to be disposed of may not exceed 10% of the capital stock. Such shares are to be counted towards this limit which during the term of this authorisation are issued or disposed of in other ways subject to an exclusion of the subscription right in application, directly or mutatis mutandis, of section 186 para. 3 sentence 4 AktG. A corresponding crediting to the limit amount is conducted for shares which are or have to be issued during the term of this authorisation for the fulfilment of warrant and convertible bonds which themselves were issued during the term of this authorisation subject to an exclusion of the subscription right in application, mutatis mutandis, of section 186 para. 3 sentence 4 AktG Act. By the limitation of the number of shares to be disposed of and the obligation to determine the selling price of the treasury shares close to the stock price, the shareholders are sufficiently protected against a dilution of the value of their shares. At the same time, it is ensured that the consideration to be received by the Company is appropriate.

- (4) In the event that the Board of Directors issues option or convertible bonds on the basis of an authorisation by the general meeting, it may be advisable not to fulfil the rights for the subscription of shares resulting therefrom by way of a capital increase, but in whole or in part with treasury shares. Therefore, a corresponding utilisation of the treasury shares acquired pursuant to this authorisation or authorisations granted earlier under exclusion of the subscription right is provided for. By using treasury shares, the dilution of the shares of the shareholders, as it would occur in the case of a use of the conditional capital, is prevented. For the decision as to whether treasury shares will be delivered or the conditional capital will be used, the Board of Directors will carefully consider the interests of the Company and the shareholders. To the extent that treasury shares are disposed of by means of an offer to all shareholders, the possibility is to be created to grant subscription rights for shares of the Company to the holders of warrants or convertible bonds to the extent they would have such subscription rights upon exercise of the warrant or conversion right or the fulfilment of the warrant or conversion obligation. The resulting exclusion of the subscription right of the shareholders has the advantage that the warrant or conversion price for the warrant or convertible bonds already issued does not have to be reduced pursuant to the conditions of the warrant and convertible bonds for the purpose of dilution protection, with the consequence that in this case, on the whole, the Company will receive more funds upon the exercise of the warrant or conversion rights or upon fulfilment of the warrant or conversion obligations. The shares transferred on the basis of this authorisation must not account for more than a pro-rata amount of 10% of the capital stock, provided that the shares are used for the fulfilment of warrant or conversion rights or warrant or conversion obligations which were granted or created in application, mutatis mutandis, of section 186 para. 3 sentence 4 AktG. To this limit of 10% of the capital stock, such pro-rata amount of the capital stock is to be credited

which during the term of this authorisation was issued or disposed of at the time of use in application, directly or mutatis mutandis, of section 186 para. 3 sentence 4 AktG.

The Board of Directors is also to be enabled to redeem the treasury shares acquired pursuant to this authorisation or authorisations granted earlier without a new resolution of the General Meeting (section 71 para. 1 no. 8 sentence 6 AktG). In this respect, the proposed authorisation provides in accordance with section 237 para. 3 no. 3 AktG that the Board of Directors may also redeem the shares without a capital reduction. By redemption of the shares without a capital reduction, the pro-rata amount of the other no-par value shares in the capital stock of the Company increases. In this respect, the Board of Directors is authorised to amend the articles of association of the Company with regard to the changing number of no-par value shares.

The Board of Directors will make its decision regarding the exercise of the proposed authorisation and the utilisation of acquired treasury shares within the framework of its duly exercised discretion.

At the moment, there are no specific plans to utilise the proposed authorisation for the acquisition of treasury shares. The Board of Directors will report on any utilisation of the authorisation at the next following general meeting.

**REPORT OF THE BOARD OF DIRECTORS TO THE ANNUAL GENERAL MEETING PURSUANT TO ARTICLE 5 SE REGULATION IN CONJUNCTION WITH SECTION 71 PARA 1 NO. 8 SENTENCE 5 GERMAN STOCK CORPORATION ACT IN CONJUNCTION WITH SECTION 186 PARA 2 SENTENCE 2 GERMAN STOCK CORPORATION ACT ON AGENDA ITEM 21 (AUTHORISATION FOR THE USE OF DERIVATIVES IN THE COURSE OF THE ACQUISITION OF TREASURY SHARES AS WELL AS FOR THE EXCLUSION OF THE SUBSCRIPTION AND TENDERING RIGHT)**

With regard to agenda item 21, the Board of Directors propose that by way of supplement to the authorisation for the acquisition of treasury shares pursuant to Article 5 of the SE Regulation in conjunction with section 71 para. 1 no. 8 AktG proposed to be resolved in agenda item 20, the Company is to be authorised to acquire treasury shares also by using Derivatives and to enter into corresponding Derivatives transactions.

The authorisation therefore provides that Derivatives in the form of Put Options, Call Options, Forward Purchases or a combination of these instruments may also be used in the course of acquiring treasury shares. Agenda item 21 thus extends agenda item 20 solely by the possibility of the repurchase using certain derivatives and is not an additional or separate authorisation for the repurchase, with the consequence that in all other respects all the conditions for a repurchase under agenda item 20 apply, namely the requirements in terms of time. Within the framework of the overall authorisation pursuant to Agenda item 20, the volume for this kind of acquisition of treasury shares is further restricted to 5 percent of the capital stock. In each case, the term of the individual Derivatives may not be more than 18 months, has to end no later than on 30 June 2025, and has to be designed in such manner that the acquisition of the shares using the Derivatives cannot occur after 30 June 2025. By means of these additional alternative courses of action, the Company expands its possibilities for structuring the acquisition of treasury shares in an optimal manner.

When selling a Put Option, the Company grants to the acquirer of the Put Option the right, during a certain period of time or at a specific point in time, to sell shares of the Company to the Company at a price stipulated in the Put Option (exercise price). As a so-called writer (*Stillhalter*), the Company is obliged to acquire the number of shares stipulated in the Put Option at the exercise price if the Put Option is exercised. As consideration, the Company receives an option premium in return when selling the Put Option. From the perspective of the Company, the share buyback using Put Options has the advantage that the exercise price is already stipulated on the date the option is concluded. In contrast, the liquidity is only paid out on the date of exercise. If the option is not exercised, because the share price on the date of exercise is higher than the exercise price, the Company is unable to acquire treasury shares in this manner. However, it still retains the option premium received on the date on which the option was concluded.

When acquiring a Call Option, the Company receives the right against payment of an option premium, to purchase, during a certain period of time or at a specific point in time, a predetermined number of shares at a predetermined price (exercise price) from the seller of the option, the writer (*Stillhalter*). Exercising the Call Option is economically sensible for the Company if on the date of exercise the market price of the Company's share is higher than the exercise price, as it is then able to purchase the shares from the writer at the lower exercise price. By the acquisition of Call Options, the Company may hedge against increasing share prices and only has to acquire as many shares as it actually requires at the later point in time. In addition, by using Call Options, the Company's liquidity is spared, since the exercise price for the shares must be paid only when the Call Option is exercised. These aspects may justify in the individual case that the Company uses Call Options for an intended acquisition of treasury shares.

In the case of a Forward Purchase, the Company agrees with the forward seller to acquire the shares at a specified date in the future. The acquisition is made at a forward price stipulated at the time of conclusion of the Forward Purchase. Upon occurrence of this date, the Company pays the forward seller the forward price and the forward seller in return delivers the shares. The conclusion of such Forward Purchases may be advisable for the Company, in particular, for reasons of maintaining liquidity levels.

The Derivatives may be entered into only with one or more credit institution(s) which is/are independent from the Company and/or one or more companies operating in accordance with section 53 para. 1 sentence 1 or section 53b para 1 sentence 1 or para 7 of the German Banking Act. Thereby, the management is enabled – in contrast to cases where an offer for entering into Derivatives is made to all shareholders – to conclude Derivatives transactions at short notice and, thus, to react quickly to market situations. In this respect, it has to be ensured that the Derivatives are only fulfilled with shares which are acquired in observance of the principle of equal treatment (Article 9 para. 1 lit. c (ii) of the SE regulation in conjunction with section 53a German Stock Corporation Act), in particular through the stock exchange, at the current stock price of the Company's share at the point in time of the acquisition. Pursuant to the statutory provision in section 71 para. 1 no. 8 German Stock Corporation Act, it is sufficient for observance of the principle of equal treatment if the shares are acquired through the stock exchange at the current stock price of the Company's share at the point in time of the acquisition through the stock exchange. Any right of the shareholders for the conclusion of Derivatives transactions with the Company is excluded in the same way as any tendering right of the shareholders. This exclusion is necessary, in order to facilitate the use of Derivatives in the course of the repurchase of treasury shares and to achieve the benefits for the Company related thereto. A conclusion of corresponding Derivatives transactions with all shareholders would not be feasible.

Where Derivatives are used, the consideration for the shares to be granted by the Company is the exercise price or forward price agreed in the respective Derivatives transaction (in each case without ancillary acquisition costs, but taking into account any premiums paid or received). By the stipulations in respect of the option premium made in the resolution and the permissible exercise price or forward price restricted in more detail in the resolution, it is prevented that the shareholders suffer a material economic disadvantage in the case of the acquisition of treasury shares using derivatives. Since the Company receives or pays a fair market price, the shareholders not participating in the derivative transactions do not suffer a material economic disadvantage. This is equivalent in effect to the position of the shareholders in the case of a repurchase of shares through the stock exchange, where not all shareholders are actually able to sell shares to the Company. Besides, the interests of the shareholders are considered by the requirement of the resolution that in exercising the option only such shares may be delivered which were previously acquired in observance of the principle of equal treatment. Both the requirements for the structuring of the Derivatives and the requirements for the shares suitable for delivery ensure that in the case of this form of acquisition the principle of equal treatment of the shareholders is also taken into account comprehensively. For this reason, is it justified, also in view of the rationale underlying section 186 para 3 sentence 4 AktG, that the shareholders are not entitled to enter into such Derivatives transactions with the Company.

With regard to the utilisation of the treasury shares acquired using Derivatives, the provisions set forth in agenda Item 20 apply accordingly. These provisions are described in more detail in the Report of the Board of Directors to the General Meeting pursuant to section 71 para 1 No. 8 sentence 5 AktG in conjunction with section 186 para 4 sentence 2 AktG on agenda item 20.

At the moment, there are no specific plans to utilise the proposed authorisation for the acquisition of treasury shares. The Board of Directors will report on any utilisation of the authorisation at the next following general meeting.

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Helsinki, 31 March 2022

**MULTITUDE SE**  
Board of Directors