

## **Report of the General Partner in accordance with section 278(3) of the German Public Companies Act (AktG) in conjunction with section 203(2) second sentence, section 186(4) second sentence AktG**

In accordance with section 278(3) AktG in conjunction with sections 203(2) second sentence, section 186(4) second sentence AktG, the General Partner has submitted a written report on the reasons for the authorisation proposed under agenda item 7 to exclude subscription rights as part of the new Authorised Capital 2024. The report has the following contents:

The Authorised Capital 2019 resolved by the General Meeting of 19 June 2019 and provided for in Article 5 of the Articles of Association shall expire on 18 June 2024. Under agenda item 7, a resolution shall therefore be proposed to the General Meeting on the creation of a new Authorised Capital 2024 amounting to EUR 5,570,631.00 and with a term until 10 June 2029 (inclusive). The new Authorised Capital 2024 shall be limited to a total amount of 10 per cent of the Company's current share capital. Added to the other Contingent Capital provided for in the Articles of Association, the total scope of all authorisations equals around 40 per cent of the Company's share capital.

The new Authorised Capital 2024 is intended to ensure that the Company maintains a certain degree of flexibility in its corporate financing. The new authorisation will enable the Company to make flexible use of market opportunities within an appropriate framework and to cover any existing capital requirements quickly and in a liquidity-preserving manner by issuing new shares. In the interests of the shareholders, this can also strengthen the Company's equity base in view of the Group's strategic development and help adapt it to business requirements. As decisions on covering capital requirements generally have to be made at short notice, it is important that the Company has the necessary capital raising instruments - irrespective of specific utilisation plans.

When using the Authorised Capital 2024, shareholders of the Company shall, as a rule, be entitled to subscription rights. In accordance with section 186(5) AktG, such rights can also be granted in such a way that the new shares are taken over by a credit or securities institution or a company

operating in accordance with section 53(1) first sentence or section 53b(1) first sentence, or para. (7) of the German Banking Act or a consortium of such institutions or companies with the obligation to offer them indirectly to shareholders for subscription within the meaning of section 186(5) AktG.

However, the General Partner is to be authorised, with the Supervisory Board's consent, to exclude the subscription right in certain cases explained below.

### **Exclusion for fractional amounts**

The resolution suggested in agenda item 7 initially provides for the General Partner to be authorised, with the Supervisory Board's consent, to exclude the shareholders' statutory subscription rights for fractional amounts resulting from the subscription ratio that cannot be distributed equally among all shareholders. The option to exclude fractional amounts from the subscription right serves to present a practicable subscription ratio and thus to facilitate the technical implementation of the capital increase. The new shares excluded from shareholders' subscription rights as free fractional shares will either be sold on the stock exchange or otherwise realised in the best possible way for the Company. The General Partner and the Supervisory Board therefore consider this authorisation to exclude subscription rights to be appropriate.

### **Exclusion for contributions in kind**

In addition, the General Partner is to be able, with the Supervisory Board's consent, to exclude shareholders' subscription rights in the event of capital increases based on contributions in kind, specifically - but not limited to - the purchase of companies, parts of companies or participations in companies. This authorisation to exclude subscription rights is intended in particular to enable the Company to purchase contributions in kind in the form of companies, parts of companies, participations in companies or other assets in return for the transfer of shares in the Company.

The possibility to offer shares in the Company as consideration in suitable individual cases is an advantage in the competition for interesting acquisition targets and gives us the necessary freedom to take advantage of opportunities to purchase companies, parts of companies, participations in companies or other assets at short notice. This will strengthen and further expand the

Company's market position and competitiveness. By granting new shares in the Company, the sellers can also develop a closer bond to the company, particularly when purchasing interests in the Company, as they themselves participate in the Company's future economic development and benefit from possible share price gains.

Furthermore, the proposed authorisation to issue new shares in the context of capital increases based on contributions in kind enables the Company to optimise its financing, as this protects the Company's liquidity and strengthens its equity base. This does not put the Company at a disadvantage, as the issue of shares in return for contributions in kind requires that the value of the contribution in kind is in an appropriate ratio to the value of the shares.

When determining the valuation ratio, the General Partner shall ensure that the interests of the Company and its shareholders are adequately safeguarded and that an appropriate issue price is achieved for the new shares. In addition, each shareholder shall have the opportunity to offset the dilution resulting from a capital increase excluding subscription rights by purchasing additional shares on the stock exchange. The General Partner and the Supervisory Board therefore consider this authorisation to exclude subscription rights to be appropriate.

### **Simplified exclusion of subscription rights**

Furthermore, the General Partner is to be authorised, with the Supervisory Board's consent, to exclude shareholders' subscription rights in the event of capital increases based on contributions in cash if the issue price of the new shares is not significantly lower than the market price of shares of the same class and with the same rights that are already listed on the stock exchange at the time when the issue price is finally determined within the meaning of section 278(3) AktG in conjunction with section 203(1) and (2), section 186(3) fourth sentence AktG and the proportion of the share capital attributable to the new shares issued pursuant to section 186(3) fourth sentence AktG does not exceed a total of 10 per cent of the Company's share capital, either at the time when this authorisation takes effect or at the time when it is exercised.

This proposed authorisation to exclude subscription rights will enable the General Partner to place shares at short notice by flexibly taking advantage of favourable market situations. This option to exclude subscription rights, which is provided for by law in section 186(3) fourth sentence AktG,

enables a placement close to the market price, as the usual discount for rights issues does not apply or may at least be lower. In addition, a higher inflow of funds can be achieved than in the case of a rights issue, as shares can be placed right after the issue price has been set without having to take the risk of price changes into account for the term of the subscription period.

This authorisation is intended to enable the General Partner to strengthen the equity base required for the future development of the business in the most favourable of conditions. However, the amount earmarked for the authorisation is limited to 10 per cent of the Company's share capital. The German Future Financing Act (*Zukunftsfinanzierungsgesetz - ZuFinG*) has raised the statutory maximum limit for the simplified exclusion of subscription rights under section 186 (3) fourth sentence AktG from 10 per cent to 20 per cent of the share capital. However, the resolution proposed by the General Partner and the Supervisory Board consciously does not exploit this extended legal framework but leaves it at a volume of up to 10 per cent of the share capital.

The proportion of the share capital attributable to new or treasury shares issued or sold since 11 June 2024 under the simplified exclusion of subscription rights pursuant to or in accordance with section 186(3) fourth sentence AktG is to be counted towards this maximum amount. Moreover, the proportion of the share capital attributable to shares to which option and/or conversion rights or obligations from bonds or profit participation rights issued since 11 June 2024 by mutatis mutandis application of Section 186(3) fourth sentence AktG relate must also be counted towards it. These amounts are counted towards the maximum amount in the interests of shareholders to minimise the dilution of their participation. Since subscription rights can only be excluded under this proposed authorisation if the issue price of the new shares is not significantly lower than the stock market price of company shares of the same class, the needs of shareholders for protection against dilution in terms of value are taken into account.

## **Exclusion in favour of creditors of bonds**

Furthermore, the General Partner is to be authorised, with the Supervisory Board's consent, to exclude subscription rights, as far as this is necessary, to grant subscription rights for the new shares to bearers of warrants or creditors of convertible bonds or participation rights with conversion or option rights, which are issued by the Company or by companies dependent on the Company or in which the Company holds the majority of shares, in the scope they would have been

entitled to after exercising the option or conversion rights or after fulfilment of the conversion requirement.

Such bonds and profit participation rights are usually equipped with dilution protection to facilitate placement on the capital market, which intends for the holders or creditors to be granted a subscription right to new shares in later share issues as is due to shareholders. This already gives them a status equal to that of shareholders.

This has the advantage that the conversion price of the instruments already issued need not be reduced in the event of later capital increases. However, in order to provide these bonds and profit participation rights with such dilution protection, the subscription right of shareholders for these shares must be excluded. This exclusion of subscription rights serves to facilitate the placement of these financial instruments and hence to strengthen the Company's financial structure. As a result, this may optimise the competitiveness and profitability of the Company in the interests of the shareholders.

## **Overall cap**

The total shares issued on the basis of the new Authorised Capital 2024 excluding shareholders' subscription rights in the event of capital increases based on contributions in cash or in kind may not exceed 10 per cent of the share capital either at the time when this authorisation takes effect or - if this value is lower - at the time when it is exercised. The proportion of the share capital of those shares that are issued during the term of this authorisation on the basis of another authorisation excluding subscription rights must be counted towards this maximum amount of 10 per cent. Rights that are issued during the term of this authorisation until it is exercised on the basis of other authorisations excluding subscription rights and that enable the subscription of shares in the Company or make it obligatory must also be counted towards it.

Having considered all of the circumstances described, the General Partner believes, in agreement with the Supervisory Board, that the authorisations to exclude subscription rights are properly justified and appropriate, even taking into account the possible dilution effect to the detriment of shareholders if the respective authorisations are exercised. The General Partner will carefully examine, in each individual case, whether it will make use of the authorisation to exclude

subscription rights. This option shall only be utilized if the General Partner and the Supervisory Board consider it to be in the interests of the Company and thus of its shareholders.

The General Partner shall report any utilisation of the Authorised Capital 2024 to the General Meeting. There are currently no specific plans to make use of this authorisation.

Cologne, April 2024

Ströer SE & Co. KGaA  
The General Partner  
Ströer Management SE  
The Management Board

Udo Müller  
(Co-CEO)

Christian Schmalzl  
(Co-CEO)

Henning Gieseke  
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