

## **Report of the Executive Board regarding the disapplication of pre-emptive rights in the utilisation of Authorised Capital 2024 pursuant to Sections 203 (2) and 186 (4) sentence 2 AktG (Agenda item 8)**

Pursuant to Section 203 (2) in conjunction with Section 186 (4) sentence 2 AktG, the Executive Board submits the following report on the reasons for the authorisations to disapply pre-emptive rights contained in Authorised Capital 2024, which will be proposed for resolution to the annual general meeting convened for May 17, 2024. This report is available as part of the invitation and also separately on the website of Berentzen-Gruppe Aktiengesellschaft at [www.berentzen-gruppe.de/en/investors/annual-general-meeting/](http://www.berentzen-gruppe.de/en/investors/annual-general-meeting/) from the day on which the convening of the annual general meeting is announced.

Authorised Capital 2024 proposed under agenda item 8 of the annual general meeting of May 17, 2024 is to replace the authorised capital previously contained in Article 4 (4) of the Articles of Association. This Authorised Capital 2019 expires on May 21, 2024.

The Executive Board shall be authorised, with the approval of the Supervisory Board, to increase the share capital on one or more occasions until May 16, 2029 by issuing new ordinary bearer shares in return for contributions in cash or in kind by up to EUR 9,984,000.00 (Authorised Capital 2024).

The proposed authorised capital is intended, among other things, to enable the Executive Board, with the approval of the Supervisory Board, to react quickly to any financing requirements that may arise.

When utilising the authorised capital, shareholders are to be granted a pre-emptive right subject to the authorisations set out below. The pre-emptive right may also be granted indirectly when the new shares are acquired by one or more banks or equivalent entities as defined in Section 186 (5) sentence 1 AktG, subject to the obligation to offer them to the shareholders for subscription. This is not a substantive restriction of the pre-emptive right, as the shareholders are granted pre-emptive rights to the same extent as in the case of a direct subscription.

The Executive Board shall be authorised, however, to disapply shareholders' pre-emptive rights in particular, with the approval of the Supervisory Board, in one or several of the cases described below.

- a) The possible disapplication of pre-emptive rights for fractional amounts is necessary to allow for a manageable subscription ratio. Such fractional amounts may result depending on the issue volume and the equity interests of the shareholders holding pre-emptive rights. Not disapplying pre-emptive rights in respect of fractional amounts would make the technical implementation of the corporate action considerably more difficult. The available fractional shares not subject to shareholders' pre-emptive rights are then realised in the manner that is most beneficial for the Company via either sale over the stock exchange or other means. A dilutive effect, if any, will be minor given the limitation to fractional amounts.
- b) The authorisation to disapply pre-emptive rights in order to issue the new shares for the purpose of acquiring contributions in kind, such as the granting of shares in return for the contribution of companies, in return for the contribution of parts of companies or equity interests in companies, or in return for the contribution of other assets including receivables, is intended to enable the Executive Board to have shares in the Company available without recourse to the stock exchange in order to be able, in suitable individual cases, to acquire companies operating in the Company's core competency fields, or parts of such companies or equity interests in such companies or other assets in return for the transfer of shares in the Company. The transfer of new shares as acquisition currency makes it possible to carry out such acquisitions in a way that preserves liquidity. Furthermore, practice shows that the sellers of attractive acquisition targets often demand the transfer of shares in the acquiring company as consideration. Acquisition or other projects of that kind usually require decisions to be made rapidly. The proposed authorisation enables the Management Board to react quickly and flexibly to advantageous offers or other opportunities on the national or international market and to take advantage of acquisition or other opportunities of that kind in return for the issuance of shares in the interest of the Company and its shareholders. While disapplying pre-emptive rights results in lower relative equity interests and a lower relative voting interest of existing shareholders and thus in a dilutive effect, granting pre-emptive rights, however, would make it impossible to acquire companies, parts of companies or equity interests in companies or other assets in return for ordinary shares, and the associated benefits for the Company and the shareholders would not be attainable. There are

currently no specific acquisition plans for which this option is to be used. If suitable acquisition or similar opportunities materialise, the Executive Board will carefully examine whether it should make use of this possibility of a capital increase. It will only make use of this option if the respective acquisition in return for the granting of shares in the Company is in the Company's well-understood interest. Only if these conditions are met will the Supervisory Board also grant its required approval. The valuation of the Company's shares on the one hand and the companies, parts of companies or equity interests in companies or other assets including receivables to be acquired on the other hand will be based on unbiased valuation reports prepared by recognised and renowned service providers (e.g. auditors). The Executive Board will report on the details of the utilisation of the authorised capital at the annual general meeting following any acquisition in return for the issuance of shares in Berentzen-Gruppe Aktiengesellschaft.

- c) The Executive Board shall also be authorised to disapply the pre-emptive right in the event of an increase in the share capital in order to issue shares to employees of the Company and of subordinate affiliated companies. The authorisation is intended to enable the Executive Board to offer the employees of Berentzen-Gruppe Aktiengesellschaft and subordinate affiliated companies shares in the Company for purchase up to a maximum proportionate amount of the share capital of EUR 2,496,000.00 attributable to them. Issuing shares to employees enhances employee loyalty and motivation, which benefits the Company and thus also the shareholders of Berentzen-Gruppe Aktiengesellschaft. The financial and voting interests of the shareholders are adequately safeguarded by the limitation of the possible total amount to a maximum of EUR 2,496,000.00: This corresponds to ten percent of the share capital of Berentzen-Gruppe Aktiengesellschaft. The shares may be transferred to the employees at an appropriate discount from the market value.
- d) It should also be possible to disapply pre-emptive rights in order to grant the holders and/or creditors of conversion and/or option rights or the debtors of conversion and/or option obligations under convertible bonds and/or bonds with warrants issued by the Company directly or through a (direct or indirect) majority holding company a subscription right to new shares to the extent to which they would be entitled after exercise of the conversion and/or option rights or after fulfilment of the conversion and/or option obligations. In order to facilitate placement on the capital market, convertible bonds and/or bonds with warrants are regularly protected against, which means that the holders or creditors of the bonds can be granted pre-emptive rights to new shares instead of a reduction in the conversion or option price in subsequent share issues with shareholders' pre-emptive right, as shareholders are also entitled to. If the Company makes use of this option, they will be treated as if they had already exercised their conversion or option rights or fulfilled their conversion or option obligations. This has the advantage that - in contrast to protection against dilution by reducing the conversion or option price - the Company can achieve a higher issue price for the shares to be issued upon conversion or exercise of the option. To achieve this, pre-emptive rights need to be disapplied to a certain, but limited, extent.
- e) Finally, it shall be permitted to disapply pre-emptive rights if a capital increase in return for contributions in cash does not exceed twenty percent of the share capital and the issue price of the new shares is not substantially lower than the share price pursuant to Section 186 (3) sentence 4 AktG. Disapplying shareholders' pre-emptive rights under other authorisations pursuant to Section 186 (3) sentence 4 AktG shall be taken into account when using the present authorisation under Section 186 (3) sentence 4 AktG. Any discount on the stock exchange price is not expected to exceed three percent of the stock exchange price, at any rate not more than five percent. This option to disapply shareholders' pre-emptive rights is intended to enable the Executive Board and the Supervisory Board to exploit favourable opportunities in the stock market as they arise and achieve the highest possible issue amount in order to strengthen the Company's own funds to the greatest extent possible by setting an issue price that closely tracks the market. The proceeds from the sale that can be achieved by setting a price that closely tracks the market usually results in a significantly higher inflow of cash per share than would be the case if shares were placed with pre-emptive rights, and thus results in the greatest possible injection of own funds. The Executive Board will fix the issue price as close as possible to the market price prevailing at the time, taking into account the respective situation on the capital market, and will endeavour to place the new shares in a manner that affects the market as little as possible. By foregoing the time-consuming and costly processing of pre-emptive rights, it is also possible to cover equity requirements promptly by taking advantage of short-term market opportunities. Section 186 (2) sentence 2 AktG permits publication of the subscription price no later than three days before the end of the subscription period. In view of the volatility on the stock markets, however, there is also a market risk in this case, specifically a price risk over several days, which may lead to larger safety

margins when determining the selling price and thus to conditions that do not properly reflect the market. In addition, when granting pre-emptive rights, the Company cannot react quickly to favourable market conditions due to the length of the subscription period. This authorisation to disapply pre-emptive rights is therefore in the interest of the Company and its shareholders. While it results in lower relative equity interests and, if they have a voting right, a lower relative voting interest of existing shareholders and thus in a dilutive effect, shareholders wanting to maintain their relative equity interest and their relative voting interest nevertheless have the option to purchase the number of shares required to this end in the stock market at essentially identical terms. A so-called set-off clause also ensures that the volume limit of twenty percent of the share capital approved by the Annual General Meeting can only be utilised once during the term of Authorised Capital 2024 without involving the annual general meeting.

The authorisation to disapply pre-emptive rights for capital increases in return for contributions in cash and/or in kind is limited to a maximum amount of twenty percent of the share capital. In order to protect shareholders, the authorisation thus contains a restriction on the total scope of the Company's corporate actions in which shareholders' pre-emptive rights are disappplied. It thus limits the possible dilution of the shareholders whose pre-emptive right has been disappplied.

Having weighed the aforementioned circumstances, the Executive Board and the Supervisory Board believe that the authorisation to disapply pre-emptive rights in the aforementioned cases is justified for the reasons described and appropriate for the shareholders, even if it has a potential dilutive effect.

There are currently no specific plans to make use of the proposed authorisation. The Executive Board will thoroughly review each individual case mentioned in this authorisation to decide whether it will exercise the authorisation to increase the capital by disapplying pre-emptive rights. It will do this only if and when disapplying pre-emptive rights is believed by the Executive Board and the Supervisory Board to be in the interest of the Company and, hence, of its shareholders. The Executive Board will report on each utilisation of Authorised Capital at the next annual general meeting.

Haselünne, April 2024

**Berentzen-Gruppe Aktiengesellschaft**

The Executive Board