

Annual General Meeting of Deutsche Beteiligungs AG, 27 May 2025

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Written report of the Board of Management on the issue of convertible bonds based on the authorisation of 22 February 2024 with the exclusion of subscription rights

The Management Board of the Company was authorised by the Annual General Meeting of the Company on 22 February 2024, with the approval of the Supervisory Board, to issue bearer or registered bonds cum warrants and/or convertible bonds (collectively "**Bonds**") with or without a limited term in a total nominal amount of up to EUR 210,000,000.00 on one or more occasions until 21 February 2029 and to grant the holders or creditors of Bonds option or conversion rights or option or conversion obligations on registered shares in the Company with a pro rata amount of the share capital of up to EUR 210,000,000.00.000.00 and to grant or impose option or conversion rights or option or conversion obligations on the holders or creditors of Bonds for registered no-par value shares in the Company with a pro rata amount of the share capital totalling up to EUR 13,346,664.34 in accordance with the terms and conditions of the Bonds with warrants or convertible bonds (collectively "**Bond Conditions**") (hereinafter referred to as the "**Authorisation**"). At the same time, the Management Board was authorised to exclude shareholders' subscription rights to the Bonds with the approval of the Supervisory Board, inter alia, if the Bonds are issued for cash and the issue price of the Bonds is not significantly lower than the theoretical market value of the Bonds calculated using recognised actuarial methods. The number of shares to be issued to service Bonds issued in this manner with the exclusion of subscription rights may not exceed a total of 20% of the share capital, either at the time this Authorisation becomes effective or at the time it is exercised. Shares that are issued or sold during the term of this Authorisation with the exclusion of subscription rights in direct or analogous application of Section 186 (3) sentence 4 of the AktG are to be counted towards the maximum limit of 20% of the share capital. Shares that are to be issued to service option or conversion rights or option or conversion obligations from convertible bonds and/or bonds with warrants and/or profit participation rights are also to be included, provided that these Bonds or profit participation rights are issued during the term of this Authorisation on the basis of another authorisation with the exclusion of subscription rights in corresponding application of Section 186 para. 3 sentence 4 of the AktG. To service these Bonds, Contingent Capital 2024/I was created in the amount of up to EUR 13,346,664.34 for the issue of up to 3,760,998 new no-par value registered shares.

On 28 June 2024, the Company issued unsubordinated and unsecured convertible bonds with a total nominal value of EUR 100,000,000.00 (the "**Convertible Bonds**") on the basis of the Authorisation. The Convertible Bonds were offered for sale exclusively to institutional investors outside the United States of America, Australia, Canada, Japan and South Africa as part of an *accelerated bookbuilding* process.

The Convertible Bonds were issued at 100% of the nominal amount and mature on 5 January 2030. The Convertible Bonds bear interest at 5.5% per annum. Interest is payable semi-annually in arrears on 5 January and 5 July of each year, for the first time on 5 January 2025. The initial conversion price was set at EUR 30.7952.

Shareholders' subscription rights to the Bonds were excluded with the approval of the Supervisory Board. The Company has made use of the option to exclude subscription rights provided for by law in Sections 221 (4) sentence 2 and 186 (3) sentence 4 of the AktG and granted in the Authorisation. The Management Board and Supervisory Board are convinced that the conditions for the exclusion of shareholders' subscription rights were met.

The Convertible Bonds are convertible into up to 3,247,259 no-par value shares in the Company. This corresponds to a proportionate amount of the Company's share capital of around 17.27% at the time the authorisation becomes effective and also around 17.27% at the time the authorisation is exercised. The volume limit of no more than 20% of the share capital provided for in the Authorisation for shares to which the Convertible Bonds issued with the exclusion of shareholders'

subscription rights grant a conversion right was therefore complied with (also including other share issues, sales or transfers to be taken into account).

In addition, the requirements of the Authorisation with regard to setting the issue price and the conditions of the Convertible Bonds have been met. The initial conversion price of EUR 30.7952 corresponds to a conversion premium of 22.5% on the volume-weighted average price of the Company's shares of EUR 25.1389 during the accelerated bookbuilding process on 28 June 2024, with an interest rate of 5.5% per annum and a term until 2030. It is therefore within the range generally recognised as permissible and, taking into account the relevant value-forming factors (in particular the term and interest rate of the bond, share price, volatility of the share, option or conversion price), is not significantly lower than the theoretical market value of the Convertible Bonds calculated using recognised financial mathematical methods within the meaning of Sections 221 para. 4 sentence 2 and 186 para. 3 sentence 4 of the AktG.

The exclusion of subscription rights to the Convertible Bonds was necessary in this case and in the interests of the Company. The net issue proceeds were used to finance co-investments by the Company alongside the funds advised by the Company and ELF Capital Group as well as for general corporate purposes. In the opinion of the Management Board and the Supervisory Board, the Company did not have any more favourable and equally transaction-proof alternative sources of financing with a timely inflow of funds.

In contrast, the publication of a securities prospectus (Article 3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (Prospectus Regulation)) required when granting shareholders subscription rights and the subscription period of at least two weeks (Sections 221 (4) sentence 2, 186 (1) sentence 2 of the AktG) would not have allowed a short-term reaction to the current market conditions. In addition, there would have been considerable costs for the preparation of the securities prospectus and the costs of processing the public offer. Overall, the granting of a subscription right would have led to significantly higher costs for the procurement of debt capital, with simultaneous uncertainty regarding the success of the subscription offer.

By setting the issue price close to the theoretical value of the Convertible Bonds and by limiting the scope of the conversion rights from the Convertible Bonds to around 17.27% of the share capital at the time of issue, the interests of the shareholders are also adequately safeguarded. In view of the fact that the Company's shares are traded on the stock exchange, shareholders generally have the option of maintaining their relative shareholding in the Company by purchasing additional shares on the stock exchange at comparable conditions. A significant economic dilution of the shareholders' shareholdings is not associated with the issue of the Convertible Bonds as described above. A placement of Convertible Bonds with subscription rights was not a suitable alternative from the Company's perspective, in particular due to the higher costs, the expected lower issue proceeds, the uncertain placement opportunities and the time frame required for this.

Based on the above considerations, the exclusion of subscription rights when issuing the Convertible Bonds in compliance with the provisions of the Authorisation was objectively justified overall.

Frankfurt/Main, April 2025

Deutsche Beteiligungs AG

The Board of Management