

Report of the Executive Board
of
SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft
FN 102999 w

pursuant to Section 65 (1b) in conjunction with Section 170 (2) and Section 153 (4) Austrian
Stock Corporation Act (AktG)
to the agenda item 11.
(Sale of treasury shares by the Company)

At the Annual General Meeting of SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft, FN (Commercial Register number) 102999 w, Hauptstraße 2, 2630 Ternitz (hereinafter the "**Company**") on 25 April 2024, it is proposed to revoke the authorizations of the Executive Board resolved at the Annual General Meeting of the Company on 28 April 2022 to buy back treasury shares pursuant to Section 65 (1) (No. 8) Austrian Stock Corporation Act (AktG) as well as (1a) and (1b) AktG and to sell treasury shares in a manner other than on the stock exchange or through a public offering pursuant to Section 65 (1b) AktG, including exclusion of the statutory subscription right (repurchase right) of shareholders.

At the same time, it is proposed to re-authorize the Executive Board of the Company for a period of 30 months from the date of the adoption of the resolution thus until 25 October 2026 to **acquire treasury shares** of the Company pursuant to Section 65 (1) (No. 8) and (1a) and (1b) AktG. The shares acquired by the Company on the basis of the authorization, together with the treasury shares already held, must not exceed 10% of the Company's share capital. The equivalent value of the buyback must not be less than EUR 1.00 nor exceed EUR 300.00. At the Annual General Meeting, it is proposed to also authorize the Executive Board to determine the terms and conditions of the buyback, with the Executive Board publishing the resolution of the Executive Board and the respective underlying buyback program, including its duration. The authorization may be exercised in whole or in several partial amounts and in pursuit of one or more purposes by the Company, by a subsidiary (Section 189a (No. 7) Austrian Commercial Code (UGB)) or by third parties for the account of the Company. Trading in treasury shares is to be excluded as a purpose of the acquisition in any case pursuant to Section 65 (1) (No. 8) AktG.

Furthermore, it is proposed to authorize the Executive Board pursuant to Section 65 (1) (No. 8) AktG to **retire treasury shares** without any further resolution by the Annual General Meeting. The retirement would lead to a capital reduction by the portion of the share capital attributable to the retired shares. It is proposed to authorize the Supervisory Board to resolve on amendments to the Company's Articles of Association resulting from the retirement of the treasury shares.

Finally, it is proposed to re-authorize the Executive Board for a maximum of five (5) years from the date of the resolution, thus until 25 April 2029, pursuant to Section 65 (1b) AktG, with the approval of the Supervisory Board, to choose a method of selling treasury shares other than on the stock exchange or through a public offering, including exclusion of the statutory repurchase right (subscription right) of shareholders (authorization to exclude the statutory repurchase right [subscription right]).

It is proposed to exclude, when selling treasury shares of the Company, the statutory pro-rata repurchase right (subscription right) of shareholders (direct exclusion of the statutory repurchase right [subscription right]), (i) if and to the extent that the sale of treasury shares through a public offering is conducted in fundamental compliance with the statutory repurchase right (subscription right) of shareholders in order to exclude fractional amounts (share fractions) from the repurchase right (subscription right) of shareholders, (ii) to service an over-allotment option (*greenshoe option*) granted to the issuing bank(s) in connection with a capital increase of the Company and/or (iii) to conduct an accelerated bookbuilding procedure.

In accordance with the statutory provisions pursuant to Section 65 (1b) AktG in conjunction with Section 170 (2) AktG and Section 153 (4) AktG regarding possible exclusion of the repurchase right and/or the subscription right of shareholders in connection with a sale of shares acquired pursuant to Section 65 AktG, the Executive Board submits the following

Report:

The authorization of the Executive Board to acquire treasury shares in accordance with Section 65 (1) (No. 8) AktG without being bound to a specific purpose enables the Company to react promptly and flexibly to changing situations, which is in the interest of all shareholders, particularly in an unfavorable stock market climate.

The Executive Board will make use of the authorization to sell treasury shares also in a manner other than on the stock exchange or through a public offering, excluding the shareholders' purchase option, only if the terms and conditions described below and all legal requirements are met. The price to be paid for the treasury shares sold will be determined by the Executive Board, taking full account of the interests of the Company and shareholders.

Likewise, the Executive Board will observe the publication and disclosure obligations under stock corporation and stock exchange law to be complied with in case of acquisition and/or sale (with or without exclusion of the shareholders' purchase option).

In addition, the resolution to sell treasury shares with the exclusion of the shareholders' purchase option requires approval of the Supervisory Board.

1 Authorization to sell over-the-counter and exclude shareholders' repurchase right (subscription right)

Pursuant to Section 65 (1b) in conjunction with Section 47a AktG, equal treatment of all shareholders of the Company must be fundamentally ensured when acquiring and selling treasury shares. Generally the obligation to treat shareholders equally is met by an acquisition or sale on the stock exchange or through a public offering.

At the Annual General Meeting on 25 April 2024, it is proposed to authorize the Executive Board, with the consent of the Supervisory Board, to sell treasury shares in a manner other than on the stock exchange or through a public offering, whereby, if the legal requirements are met, the right

of shareholders to acquire the treasury shares sold by the Company (repurchase right and/or subscription right) could be excluded.

Possible exclusion of subscription rights and/or exclusion of shareholders' purchase option in the resale of treasury shares is permissible provided that this is in the **overriding interest of the Company, objectively justified, necessary and proportionate**:

1.1 Use as transaction currency

In line with its strategic orientation, opportunities repeatedly arise to the Company, under its acquisition policy, to buy new acquisition targets (such as companies, businesses, business units or investments in companies). Practical experience shows that in many cases the owners of attractive acquisition targets (also) demand an interest (shares) in the Company as consideration for the transfer of the acquisition targets to the Company.

Since the assets to be acquired are usually unique in their composition and can only be acquired by the respective owner (but not by [all] shareholders), acquisition of such targets in return for an interest (shares) in the Company is usually in the best interest of the Company. The investment of the owners of such acquisition targets is also in the best interest of the Company, as, in addition to contributions in kind, such owners can also be expected to enter into partnership schemes that can offer the Company more favorable conditions or other synergies. Cooperation with such investors also represents an excellent opportunity to implement the Company's growth objectives in a targeted manner.

The shares of the Company required as a "transaction currency" to purchase such acquisition targets can come from the Company's treasury shares if the corresponding authorization is in place, but can also only be newly created by way of a capital increase against contributions in kind.

It is specifically such cases, as experience has shown, that may require the Executive Board to react flexibly and promptly in order to make optimum use of all market offers and to conduct acquisitions that are interesting to the Company, which may mean, specifically under the constellations described above, that the Company can issue shares in the Company to owners of attractive acquisition targets quickly and flexibly. In most cases, it will take too long to issue new shares for the investment of the owner willing to sell under a non-cash capital increase excluding or waiving the statutory subscription right of existing shareholders. It is therefore necessary to ensure that (also) treasury shares of the Company can be used as a "transaction currency" for such acquisitions.

The authorization to sell treasury shares in a manner other than on the stock exchange or through a public offering excluding the shareholders' repurchase right would, for example, enable the Executive Board to offer such treasury shares directly as consideration to owners of suitable acquisition targets who are willing to sell.

However, the use of treasury shares as a "transaction currency" for such acquisitions may also be necessary if (i) the Company is unable to raise comparable financial resources through debt capital under certain circumstances and (ii) it would probably take too long and be too costly to conduct a capital increase while preserving the subscription rights.

In addition to the necessity of granting treasury shares as consideration due to the request of the contracting party, the use of treasury shares as "transaction currency" is advantageous for the Company for the following reason as well:

If the Company has acquired treasury shares at a favorable price and the share price has risen in the meantime, this can often, for example in the case of an acquisition, result in a factually more favorable purchase price than in a "pure" cash payment, as, when determining the consideration for the acquisition of a company, the treasury shares to be granted as (part of) the consideration are generally set at the current (average) share price or, if applicable, at the higher intrinsic value, but not at the lower historical acquisition costs. Therefore, the use of treasury shares is also advantageous for the Company and thus for its shareholders because the liquidity requirement for acquisitions can be reduced.

Exclusion of subscription rights is suitable for pursuing the purposes aspired by the Company and is the most moderate measure since, compared to the subscription to a capital increase by the owners of acquisition targets of interest to the Company, (i) it may not be possible for the Company to raise comparable financial resources by means of debt capital and (ii) a capital increase while preserving the subscription rights would probably take too long and be too costly. It may therefore be necessary and expedient, on the basis of an assessment of the specific individual case, to conduct the capital increase from authorized capital with the exclusion of subscription rights.

Exclusion of subscription rights is proportionate because the Company usually has a special interest in acquiring the respective asset. By contrast, protection of the interests of the existing shareholders is ensured by the fact that the sale of treasury shares under exclusion of the option for shareholders to acquire such shares does not lead to a "typical" dilution of the shareholders, as cannot be ruled out a priori in case of a capital measure under exclusion of subscription rights:

This is because, on the one hand, shares are usually granted proportionately, as a rule after valuation has taken place. When assets are acquired in exchange for treasury shares, the value of the asset to be contributed is compared with the value of the company; in this ratio, the owner of the contribution in kind receives treasury shares of the company. Hence, there is no reason to fear an economic dilution of the value of the investment of existing shareholders. Existing shareholders will also participate in the profits of the acquired asset in the future.

On the other hand, it should be noted that the ownership interest of existing shareholders and/or the voting power from the shares of existing shareholders will initially "increase" only because the Company acquires its treasury shares and the rights associated with these shares are suspended as long as they are held by the Company as treasury shares. A reduction in the individual shareholder's ownership interest occurs only if the Company resells the acquired treasury shares, excluding the general purchase option of the shareholders. In the event of such a sale, those shareholders who had not previously sold their shares to the Company would then return to the status they had before the Company acquired the treasury shares. In addition, shareholders may maintain their relative ownership quota and relative voting rights by purchasing additional shares on the stock exchange.

Finally, it should be noted in this context that, due to the quantitative restrictions on the acquisition of treasury shares, a maximum of 10% of the Company's share capital is available as "transaction

currency". For this reason, the use of treasury shares as transaction currency is usually only considered for acquisitions in which the respective seller is to be granted a smaller stake in the Company for strategic or other corporate policy reasons. Accordingly, a buyer of treasury shares cannot normally acquire a "controlling" interest in the Company.

In this context, it should be mentioned that the granting of an authorization to the Executive Board to sell acquired treasury shares with the approval of the Supervisory Board, if necessary in a manner other than on the stock exchange or through a public offering, precisely for the purpose of using treasury shares as consideration (transaction currency) in the acquisition of a company or the acquisition of assets and business assets, and hence as consideration for the acquisition of companies, (units of) businesses, other assets or shares in one or more companies in Austria or abroad, as well as for the realization of any similar strategic or business policy objectives, is a customary and generally accepted practice among many listed Austrian companies.

When weighing up all of the above circumstances, the requested authorization to exclude the statutory repurchase right (subscription right) of shareholders to use treasury shares as transaction currency is in the **overriding interest of the Company, objectively justified, necessary and proportionate**.

In any event, the Executive Board intends to use the authorization to sell treasury shares, inter alia, to implement its corporate, growth and acquisition policy, whereas exclusion of the repurchase right is necessary in those cases in order to achieve the corporate policy objective.

1.2 Use for employee participation programs

The Executive Board could also use treasury shares for employee participation programs. This is in the interest of the Company, especially since the Executive Board believes that employee participation has a positive effect on employees' identification with the Company and its business. A stock option scheme represents an incentive going beyond performance-related salary components and is intended in particular, but not exclusively, to bind key employees to the Company by enabling them to benefit from a positive development of the Company's business.

In order to serve the rights of the beneficiaries of an employee participation program (allocation of shares), it is usually necessary and reasonable for the Company to use treasury shares for the purpose of passing them on to the group of beneficiaries.

Although the implementation of an employee stock option program is not planned from today's perspective, it cannot be ruled out that such a program could be conducted within the five (5) years in which the authorization would be effective if the resolution were to be passed by the Annual General Meeting. In order to respond flexibly to changing market and working conditions, the Executive Board is already now asking the Annual General Meeting to be granted the option to use treasury shares acquired or yet to be acquired also for the purpose of an employee participation program, which means that the Executive Board could allocate treasury shares directly to employees of the Company and its subsidiaries, excluding the right of repurchase.

The Executive Board points out explicitly that the sale or allocation of treasury shares of the Company to employees, executive staff and members of the Executive Board of the Company and its affiliated companies would, by law, constitute sufficient grounds for the sale *"in a manner other*

than on the stock exchange or through a public offering", pursuant to Section 153 (5) AktG, and pursuant to Section 65 (1b), last sentence, AktG, would enjoy favorable conditions for fulfilling stock options granted to those persons.

As already mentioned in Art. 1.1 there is no reason to fear a noticeable dilution with regard to the stake in the value of the Company and the voting rights (due to, among other things, the maximum limit of the portfolio of treasury shares of up to 10% of the existing share capital).

When weighing up all of the above circumstances, the requested authorization to exclude the statutory repurchase right (subscription right) of shareholders to use treasury shares for employee participation programs is in the **overriding interest of the Company, objectively justified, necessary and proportionate**.

1.3 Stabilization and expansion of the shareholder structure

It may be in the interest of the Company to use treasury shares to attract one or more specific investors as new shareholders for the Company or, if necessary, to increase their stake in the Company and thus strengthen their ties to the Company. In this way, the Company could benefit from the expertise and/or the network of such investors (for instance, to open up new business fields for the Company).

In order to use treasury shares for those purposes, it is necessary to transfer treasury shares to selected (or a limited circle of) investors or groups of investors, excluding the statutory repurchase right (subscription right) of shareholders, in the context of a private placement or a public offering (other than by a public offering to all shareholders).

Rapid placement can be effected through the sale or use of treasury shares under exclusion of the statutory repurchase right (subscription right) for shareholders. This allows the Company to promptly and flexibly exploit market opportunities as they arise, particularly with regard to the price level of the shares, for the sale or use of treasury shares.

For all of the above reasons, authorization of the Executive Board to exclude the statutory subscription right is suitable and necessary to ensure to cover a financial requirement or to strengthen the Company's capital structure, as well as to enable expansion and stabilization of the Company's shareholder structure, address special groups of investors, take advantage of positive market conditions and reduce the placement risk.

As already explained in Art. 1.1 above, there is no reason to fear a noticeable dilution with regard to the stake in the company value and voting rights (due to, among other things, the maximum limit of the portfolio of treasury shares of up to 10% of the existing share capital).

When weighing up all of the above circumstances, the proposed authorization to exclude the statutory repurchase right (subscription right) of shareholders to use treasury shares to stabilize and expand the shareholder structure is in the **overriding interest of the Company, objectively justified, necessary and proportionate**.

1.4 Financing of the Company (and its subsidiaries)

It is in the interest of the Company to quickly cover a financing requirement of the Company (and/or its subsidiaries) or strengthen the capital structure of the Company by selling treasury shares. A financing requirement may arise in particular to finance a company acquisition, to finance the expansion of business activities or of major projects or to cover a refinancing requirement (e.g. to redeem bonds, loans or other financing schemes). In such cases in particular, a rapid sale of the Company's treasury shares may be necessary or expedient.

Such exclusion of the shareholders' statutory repurchase right (subscription right) in connection with the sale of treasury shares for cash makes it possible to dispense with a public offering, which is both time-consuming and costly. The authorization to sell treasury shares for cash enables the Company to react promptly to favorable market situations. Experience has shown that such sales can be placed at better conditions and with a lower placement risk than a comparable public offering with repurchase rights (subscription rights) of shareholders as the Company can take rapid action (in particular in an accelerated bookbuilding procedure [see Art. 2.3]), and that a higher inflow of funds can therefore be generated and the risk of incomplete placement can be reduced. In case of an off-exchange sale excluding the statutory repurchase right (subscription right) of shareholders, the Company specifically does not have to grant a certain period of time for subscription (offer or subscription period) in which the public offering has already been launched attracting public attention and the Company is exposed to the risk of an adverse change in market conditions and a speculative risk (in particular short selling) against the share during the current offer period. Such market risk factors are regularly factored in by (institutional) investors as a discount affecting the price at the expense of the Company.

In case of a public offering to a limited circle of investors (e.g. a placement only to institutional investors) or a private placement, the obligation to prepare a prospectus (and/or a form of an offer document) would not apply. Such preparation would require the Company to make considerable use of its own resources and incur considerable external costs and, ultimately, would also entail liability for the content of the prospectus or offer document. The preparation of a prospectus or an offer document also requires a long lead time, making it impossible for the Company to react quickly and flexibly to market opportunities as they arise.

Furthermore, selling within a short period of time on the stock exchange would very likely lead to an undesired price loss for treasury shares representing 10% of the share capital (if such a large number of shares could find buyers at all). This would clearly run counter to the purpose intended by the sale of treasury shares.

For all these reasons, the authorization of the Executive Board is suitable and necessary to ensure rapid and flexible coverage of a financial requirement or strengthening of the Company's capital structure.

As already explained in Art. 1.1 above, there is no reason to fear a noticeable dilution regarding the stake in the value of the Company and voting rights (due to, among other things, the maximum limit of the portfolio of treasury shares of up to 10% of the existing share capital).

When weighing up all of the above circumstances, exclusion of the repurchase right (subscription right) is therefore in the **overriding interest of the Company, objectively justified, necessary**

and **proportionate** for the Company to raise equity capital quickly and flexibly (without a time limit for subscription and without the risk of a price loss).

2 Direct exclusion of the repurchase rights (subscription right) of shareholders

It is proposed to exclude, when selling treasury shares of the Company, the statutory pro-rata repurchase right (subscription right) of shareholders (direct exclusion of the statutory repurchase right [subscription right]), (i) if and to the extent that the sale of treasury shares is effected through a public offering while fundamentally preserving the statutory repurchase right (subscription right) of shareholders in order to exclude fractional amounts (share fractions) from the repurchase right (subscription right) of shareholders (see Art. 2.1), (ii) to service an over-allotment option (*greenshoe option*) granted to the issuing bank(s) under a capital increase of the Company (see Art. 2.2) and/or (iii) to conduct an accelerated bookbuilding procedure (see Art. 2.3).

Direct exclusion of the statutory repurchase right (subscription right) of shareholders must also be in the **overriding interest of the Company, objectively justified, necessary and proportionate**.

2.1 Prevention of fractional amounts

Fractional amounts are partial claims to the subscription of a share in the context of the sale of treasury shares in a public offering, while fundamentally preserving shareholders' statutory right of repurchase (subscription right). They arise when the concrete volume of treasury shares to be sold leads to an unfavorable subscription ratio.

Exclusion of the subscription right to prevent fractional amounts serves to represent a practicable subscription ratio given the scope of the public offering.

Exclusion of the statutory repurchase right (subscription right) to prevent fractional amounts is objectively justified for the following reasons and is in the interest of both the minority shareholders and the Company:

- Without this exclusion of the subscription right, the technical execution of the public offering would be massively impeded, especially if the public offering involves an uneven number of treasury shares. Moreover, such fractional amounts tend to make it more difficult for investors holding only a small stake to exercise their repurchase right (subscription right). This approach is customary in the market and objectively justified because the costs of trading subscription rights for fractional amounts are not in a reasonable proportion to the benefit for shareholders, and effects of the restrictions are hardly noticeable.
- Exclusion of the repurchase right (subscription right) to prevent fractional amounts fundamentally does not lead to a material dilution of the shareholders.

When exercising the authorization to be resolved, the Executive Board of the Company will certainly ensure to avoid the occurrence of fractional amounts as far as possible by determining the framework conditions for the sale of treasury shares through a public offering. In any case, equal treatment of all shareholders will be ensured.

To sell treasury shares quickly and flexibly in the context of a public offering, the repurchase right (subscription right) should be directly excluded by the Annual General Meeting to prevent fractional amounts. Otherwise, the Executive Board of the Company would have to publish a separate report on exercising the authorization to exclude the repurchase right (subscription right) two weeks prior to the corresponding resolution by the Supervisory Board on the approval of the exclusion of the repurchase right (subscription right). Usually, the relevant data (e.g. exact offering volume and thus subscription ratio) are not available as early as two weeks in advance, so that the mere authorization of the Executive Board to exclude the subscription right to prevent fractional amounts could not be exercised reasonably.

When weighing up all of the above circumstances, direct exclusion of the shareholders' statutory repurchase right (subscription right) to avoid fractional amounts when selling treasury shares in a public offering while preserving the shareholders' repurchase right (subscription right) is in the **overriding interest of the Company, objectively justified, necessary and proportionate.**

2.2 Servicing over-allotment options (*greenshoe option*)

Under capital increases, the issuing bank(s) is/are often granted an over-allotment option (*greenshoe option*). This enables the issuing bank(s) to allot more shares than the offering itself comprises within the requirements under capital market law; the shares required for the over-allotment are usually made available to the issuing banks by way of a securities lending transaction. This provides the basis for stabilizing the share prices: If the share price falls after the offering, the issuing bank(s) purchase(s) shares on the market, thereby supporting the price of the purchased shares and using them to meet the re-delivery obligation arising from the securities lending transaction (and/or directly the over-allotment if later settlement has been agreed for it). When prices are rising, the issuing bank(s) exercise(s) a previously concluded option under which the Company undertakes to make more shares available to the issuing bank(s) to the extent necessary at the price of the original issue. Therefore, the purpose of such a measure, which is customary in securities issues (and permitted by law), is to stabilize the price development after placement of the shares and is thus in the interest of the Company and the shareholders.

The interests of existing shareholders are safeguarded by the fact that, if an over-allotment option granted by the Company is serviced from authorized capital, the new shares will be issued at the price of the original issue and thus at the market price determined in the issue. There is no risk of a noticeable dilution of voting rights in the event of a capital increase to the limited extent of the authorization. Shareholders also have the option of maintaining their relative shareholding quotas and relative voting rights by purchasing additional shares on the stock exchange.

In this context, exclusion of shareholders' repurchase rights (subscription rights) is therefore in the **overriding interest of the Company, objectively justified, necessary and proportionate.**

To service an over-allotment option quickly and flexibly from treasury shares, it is proposed to exclude the repurchase right (subscription right) of shareholders in that case directly by the Annual General Meeting (to ensure that no subsequent resolution of the Executive Board with the approval of the Supervisory Board on the exclusion of the repurchase right [subscription right] and no publication of a separate report is required - see Art. 2.1).

When weighing up all of the above circumstances, direct exclusion of shareholders' statutory repurchase right (subscription right) to avoid servicing an over-allotment option granted to the issuing bank(s) under a capital increase is in the **overriding interest of the Company, objectively justified, necessary and proportionate**.

2.3 Conducting an accelerated bookbuilding procedure

As set out in Art. 1.4, it may be in the interest of the Company to sell treasury shares under exclusion of shareholders' statutory repurchase right (subscription right) so as to cover any short-term financing requirements of the Company (and/or its subsidiaries) or to strengthen the Company's capital structure. Rapid availability of financial resources is hampered by the fact that, in case of a mere authorization to exclude the statutory repurchase right (subscription right), a corresponding report must be published again by the Company's Executive Board two weeks before the resolution on granting approval for the exclusion of the statutory repurchase right (subscription right) is adopted by the Supervisory Board.

Direct exclusion of the repurchase right (subscription right) enables the Company to offer treasury shares by way of an *accelerated bookbuilding* procedure and thus benefit from the advantages of the procedure:

In general, *bookbuilding* is a procedure for determining the optimal price and the optimal volume of an issue. Investors are allowed to place buy orders during a certain period of time according to their specific volume and price requirements. At the end of the period set for the submission of buy orders, the order book is closed and demand is analyzed in order to subsequently determine the selling price for the shares and their allocation to interested investors. *Accelerated bookbuilding* is a special form where the order book can theoretically be closed again after just a few minutes, depending on the volume offered and the willingness of investors to take up the shares. The aim of the *accelerated bookbuilding* procedure is to minimize the price pressure on the share using the swiftest possible settlement.

At this point, it should be noted that the interests of the Company in total or partial exclusion of the repurchase right (subscription right) when using treasury shares to cover a financing requirement of the Company (and/or its subsidiaries) and/or to strengthen the capital structure of the Company have already been described in detail in Art. 1.4. It has also already been explained in detail why the authorization to exclude the repurchase right (subscription right) is necessary and proportionate. The reasons as stated above also apply by analogy to the direct exclusion of the statutory repurchase right (subscription right) when conducting an accelerated order book procedure (*accelerated bookbuilding*).

Moreover, it has been shown that *accelerated bookbuilding* in general offers better conditions than would otherwise be the case, because the almost immediate placement eliminates the market risk factors that institutional investors would otherwise have factored in as a discount affecting the price at the expense of the Company. Moreover, *accelerated bookbuilding* minimizes the risk that conditions already established may prove to be no longer in line with market conditions by the time of actual placement on the market. *Accelerated bookbuilding* enables the Company to assess the price expectations of the market during a short offer period more accurately and faster than in case of a public offering in compliance with the statutory repurchase right (subscription right), in which

pricing takes place only during the relatively long offer period. This is how the placement risk associated with the sale of treasury shares while preserving the statutory repurchase right (subscription right) can be significantly reduced. However, *accelerated bookbuilding* can be perfectly used as a means of raising equity only if there are only a few days or even a few hours between the start of the placement and determination of the final issue price. To conduct such rapid placement of treasury shares without the risk of market volatility and danger of speculation against the intended selling price or the existing stock exchange price, the statutory repurchase right (subscription right) of shareholders needs to be directly excluded in the resolution authorizing the Executive Board to sell treasury shares in a manner other than on the stock exchange or through a public offering. This is the only way to avoid both the loss of time resulting from the need to preserve shareholders' statutory repurchase right (subscription right) and, in case of an authorization to exclude the statutory repurchase right (subscription right), the loss of time resulting from the statutory period of two weeks, pursuant to Section 171 (1) AktG, between the publication of the (new) report of the Executive Board and the resolution of the Supervisory Board on the granting of consent to the exclusion of the statutory repurchase right (subscription right).

It is exclusively the sale with direct exclusion of the statutory repurchase right (subscription right) that enables the Company to take into account current market conditions and determine the optimal issue price quickly and flexibly. For such extraordinary situations, the subscription right should therefore be excluded directly by the Annual General Meeting in addition to the authorization granted to exclude the subscription right. This should enable the Executive Board to respond even faster in the interest of the Company and thus its shareholders.

When weighing up all of the circumstances mentioned above, direct exclusion of the statutory repurchase right (subscription right) of shareholders to conduct *accelerated bookbuilding* is in the **overriding interest of the Company, objectively justified, necessary and proportionate.**

3 Authorization to retire treasury shares

The Executive Board should be authorized, subject to the consent of the Supervisory Board, to retire acquired treasury shares without requiring a further resolution of the Annual General Meeting. In addition, the Supervisory Board should be authorized to adopt amendments to the Articles of Association resulting from such retirement. For the Company and its shareholders, retirement of treasury shares can have particular balance sheet advantages, because reserves must also be built up for treasury shares. If the treasury shares acquired in a permissible manner are no longer needed and if there is no better option available for their use than to retire them, the advance authorization of the Executive Board to retire treasury shares and the advance authorization of the Supervisory Board to adopt corresponding amendments to the Articles of Association in the event of actual retirement are appropriate means to avoid the time-consuming and costly conduct of another Annual General Meeting which would have to adopt such measures.

The Executive Board will make use of the authorization to retire treasury shares that have been acquired in a permissible manner only if the described and all legal requirements are met. Likewise, the Executive Board will follow the notification and disclosure obligations under stock corporation and stock exchange law that must be complied with when retiring treasury shares. The same applies to the resolution to adopt pertinent amendments to the Company's Articles of Association.

4 Summary

If the vote at the Annual General Meeting of the Company on 25 April 2024 is in favor of the above-mentioned authorizations of the Executive Board, on the one hand, to acquire, sell and retire treasury shares pursuant to Section 65 (1) (No. 8) AktG and, on the other hand, to resolve on a method other than via the stock exchange or a public offering pursuant to Section 65 (1b) AktG for selling treasury shares, the Executive Board will be provided with an effective set of instruments to respond swiftly to market opportunities that may arise and are advantageous for the Company.

In the process, the interests of existing shareholders are not exposed to any particular risk. The interests of shareholders are protected, on the one hand, by the fact that the Executive Board is obliged to obtain the approval of the Supervisory Board both before selling the treasury shares and retiring them, and that the Executive Board must therefore coordinate the sale modalities with the Supervisory Board in advance. Due to the approach taken to acquire treasury shares and the subsequent sale in the event of exclusion of the repurchase right (subscription right) of existing shareholders, their stakes in the Company cannot be diluted, either. As the amount of acquiring treasury shares for no specific purpose pursuant to Section 65 (1) No. 8 AktG is limited to 10% of the Company's share capital, there are no grounds for concern that a newly appearing shareholder could obtain a "controlling" interest by acquiring treasury shares. In addition, the extensive disclosure requirements in connection with the acquisition and sale of treasury shares contained in Section 65 AktG and the aforementioned Austrian Disclosure Regulation 2018 (VeröffentlV 2018) provide for full transparency with respect to the acquisition and sale of treasury shares, also regarding any additional disclosure requirements that apply to listed companies.

In summary, it can therefore be stated that adoption of the resolution to authorize the Executive Board described above will enable the Executive Board to react quickly to any advantageous opportunities for the Company while at the same time protecting the interests of existing shareholders as best as possible.

Based on the aforementioned considerations, the Executive Board therefore requests the Annual General Meeting to adopt the subjects of the resolutions set forth in agenda items 11 i) - iv).

Ternitz, March 2024

The Executive Board



Mag. Klaus Mader
Chairman of the Executive Board



Campbell MacPherson
Member of the Executive Board