

Report of the Supervisory Board

Brockhaus Technologies AG

2022

Report of the Supervisory Board

The Supervisory Board of Brockhaus Technologies AG, Frankfurt am Main, (“**Company**” or “**BKHT**”, together with its subsidiaries “**Brockhaus Technologies**” or the “**Group**”) monitored the activities of the Company’s Executive Board in accordance with the requirements of the German Stock Corporation Act and the Articles of Association of BKHT and provided advice and support to the Executive Board during the fiscal year from January 1, 2022, to December 31, 2022.

The Executive Board reported regularly to the Supervisory Board on the business development of BKHT. Particular highlights were integration of the Bikeleasing Group (“Bikeleasing”), whose acquisition was completed at the end of 2021, the performance of the two business segments Environmental Technologies (Palas Holding GmbH and its subsidiaries (“Palas”) and Security Technologies (IHSE AcquiCo GmbH and its subsidiaries (“IHSE”)), and the ongoing assessment of the influence of COVID-19 pandemic restrictions and of the war in Ukraine on the Company’s business activities in Germany and on export markets. In the second half of the year, the successful sale of the shares in Palas Holding GmbH and its subsidiaries, as well as structural improvements to the financing arrangements in the Group, became further focal issues. Changes in revenue, earnings, statement of financial position items and cash flows were presented and explained in detail, with a comparison to the budget and the previous year. The Supervisory Board was directly involved in all key decisions, in particular on issues of strategy and planning and in the review of strategic options. On this basis, in-depth discussions were held at numerous meetings, the number of which far exceeded the minimum number required.

The Company’s Articles of Association specify that the Supervisory Board should hold at least two meetings per calendar half-year. A large number of Supervisory Board meetings as well as other informal verbal and telephone discussions were held in fiscal year 2022. In the current fiscal year 2023, there have been several additional Supervisory Board meetings (3 as per the time of publication in March). The Chairman of the Supervisory Board was in regular personal and telephone contact with the members of the Executive Board and was proactively and comprehensively informed about all important business transactions. If necessary, the Chairman of the

Supervisory Board kept the other members of the Supervisory Board informed between meetings.

The Executive Board provided detailed information on the course of business at the regular Supervisory Board meetings. The regular meetings usually have an agenda that is identical in parts and structures the discussion on key economic issues and potential risks. Regular topics were the current economic situation of the operating segments and Group, the current impacts and future risks of the COVID-19 pandemic and the war in Ukraine, a regularly assessed risk report, the opportunities and risks of the search processes for new acquisition targets, and developments in the field of investor relations. Fundamental issues at the meetings were the annual and consolidated financial statements of BKHT for fiscal year 2022, the quarterly financial statements for fiscal year 2022, the half-year report as of June 30, 2022, preparation for and evaluation of the Annual General Meeting on June 22, 2022, cost trends at the Company and the subsidiaries, personnel development at the Company, the implementation of the Group’s employee stock option program, and discussion and approval of the internal rules of procedure and declarations of compliance. The operations and strategy of all operating segments were discussed at each regular meeting.

Another fixed feature of the regular Supervisory Board meetings was an examination of the relevant risks and support for the development of a formal internal control system at the Company and the subsidiaries. The status of external auditing was also reported on. In the course of the discussions relating to risk, the Supervisory Board was in all cases able to obtain a clear picture, in particular about whether and which risks could adversely affect the Company’s financial position and results of operations. In addition, the Supervisory Board and the Executive Board regularly discussed the Company’s long-term strategic alignment. Among other things, the latest economic figures of the Company, the subsidiaries and the Group, including changes in cash flows and, where expedient, in statement of financial position items, were presented and discussed.

The Supervisory Board mandate of Dr. Cornelius Liedtke ended at the close of the 2022 Annual General Meeting. The Annual General Meeting elected Dr. Nathalie Krebs as a new member of the Company's Supervisory Board on June 22, 2022. Andreas Peiker resigned from the Supervisory Board for personal reasons effective December 31, 2022. A new member of the Supervisory Board will be elected by the 2023 Annual General Meeting.

In fiscal year 2022, the Supervisory Board held 9 meetings (7 in presence / 2 via videoconference), some of which were initially conducted in hybrid form (i.e. with individual members participating by means of videoconferencing or over the phone) due to the conditions caused by the COVID-19 pandemic and to reduce the risk of infection. After the 2022 Annual General Meeting, the Supervisory Board was generally able to resort to joint in-person meetings. Unless specified otherwise below, the Supervisory Board meetings were attended by all Supervisory Board members in office. Dr. Cornelius Liedtke was excused from the meeting on April 27, 2022, but had previously submitted his written vote by e-mail dated April 27, 2022. Dr. Liedtke and Andreas Peiker were excused from the meeting on May 2, 2022, but both had previously approved the documents relating to the annual financial statements. Dr. Liedtke and Prof. Dr. Hütten did not attend the meeting on June 15, 2022, but both of them had previously submitted their written vote on the resolutions relating to remuneration by e-mail. Andreas Peiker was excused from the meeting on October 6. Michael Schuster and Andreas Peiker were excused from the meetings on November 22 and 30, 2022.

In fiscal year 2023 to date, three meetings of the Supervisory Board were held. With the exception of the meeting on March 29, 2023, all members of the Supervisory Board attended the meetings. On March 29, 2023, Dr. Nathalie Krebs was absent.

At its meeting on June 16, 2021, the Supervisory Board formed an Executive and Nomination Committee and an Audit Committee. The Audit Committee met regularly in fiscal year 2022. The Executive and Nomination Committee did not meet in fiscal year 2022, as the remuneration-related issues were discussed by the full Supervisory Board.

Overview of attendance at meetings of the Supervisory Board and committees

	Supervisory Board	Audit Committee	Executive and Nomination Committee	Total
Dr. Othmar Belker	9 (100%)	10 (100)	0 (n/a)	19 (100%)
Michael Schuster	7 (78%)	-	0 (n/a)	7 (78%)
Martin Bestmann	9 (100%)	10 (100%)	-	19 (100%)
Dr. Christoph Hütten	8 (89%)	10 (100%)	-	18 (95%)
Dr. Natalie Krebs	4 (100%)	-	-	4 (100%)
Dr. Cornelius Liedtke	2 (22%)	-	-	2 (22%)
Andreas Peiker	5 (56%)	-	0 (n/a)	5 (56%)

All members of the Supervisory Board are to be considered independent as defined by of the German Corporate Governance Code.

The training and development measures required for discharging their duties, for example on changes in the legal environment and on new technologies, are taken by the members of the Supervisory Board under their own responsibility, with the Company's support where requested.

The Supervisory Board discussed the following topics at its meetings in the 2022 fiscal year:

Supervisory Board Meeting on January 19, 2022

The Supervisory Board discussed the submitted budget for the 2022 fiscal year and approved the provisional budget. Earlier preparation of the complete budget was not possible because of the late closing of the Bikeleasing transaction in December 2021. The budget figures will also change as a result of Bikeleasing's annual financial statements. The Supervisory Board discussed the general conditions for successful closing. After in-depth consideration and in view of the ongoing situation as regards coronavirus, it decided to organize and hold the 2022 Annual General Meeting once more as a virtual Annual General Meeting.

Supervisory Board meeting on March 30, 2022

This Supervisory Board meeting focused on the economic performance of the three operating segments. The Supervisory Board discussed strategic options to develop the respective business models further, taking into account the gradual lifting of coronavirus restrictions as well as the war between Russia and Ukraine. During the meeting, the organization of the virtual 2022 Annual General Meeting and the process of the ongoing annual audit, especially with regard to the transition of Bikeleasing to IFRS, were also discussed. Furthermore, the proposal for a new member of the Supervisory Board for the upcoming Annual General Meeting was discussed. Against the background of the Executive Board appointments expiring in mid-2022, the Supervisory Board resolved to introduce staggered new appointment periods for the Executive Board members (CEO 5 years, COO 4 years).

Supervisory Board meeting on April 27, 2022

The focus of the meeting was the discussion of the 2021 accounting documents and the status and remaining timeline of the 2021 annual audit. The Chairman of the Audit Committee and the auditors also

reported on this. The agenda for the 2022 Annual General Meeting was also discussed. The Supervisory Board discussed and resolved the remuneration of the Executive Board for the fiscal year 2021 and discussed the draft remuneration report 2021. The meeting also dealt with the structure and implementation of new Executive Board contracts in 2022, taking into account the Executive Board remuneration system adopted by the Annual General Meeting on June 16, 2021.

Supervisory Board meeting on May 2, 2022

The Supervisory Board discussed and approved the Company's financial reporting and consolidated financial reporting and adopted the Report of the Supervisory Board and the corporate governance statement.

The independent auditor reported on the conduct of the audit, the focus points of the audit and the audit results relating to the 2021 HGB annual financial statements of Brockhaus Technologies AG, the IFRS consolidated financial statements and the combined management report for the fiscal year 2021 prepared in accordance with the requirements of the HGB. The independent auditor issued unqualified audit opinions for the annual financial statements, the consolidated financial statements and the combined management report. Following its own detailed examination of the accounting documents and the independent auditor's reports, the Supervisory Board approved the annual financial statements, the consolidated financial statements and the combined management report. The annual financial statements are thereby adopted.

Supervisory Board meeting on June 15, 2022

The Supervisory Board resolved the total target remuneration for the 2022 fiscal year for the Executive Board members Marco Brockhaus and Dr. Marcel Wilhelm. The Supervisory Board approved the new Executive Board contracts applicable from August 1, 2022, for the Executive Board members Marco Brockhaus and Dr. Marcel Wilhelm, which are based on the Executive Board remuneration structure adopted by the 2021 Annual General Meeting.

Supervisory Board meeting on June 22, 2022

Following the Annual General Meeting, Dr. Natalie Krebs introduced herself as a newly elected member of the Supervisory Board. The Supervisory Board discussed the efficiency of the Supervisory Board's work and the need for training for Supervisory Board members. The Executive Board and Supervisory Board analyzed potential for improvement based on the feedback and voting results from the 2022 Annual General Meeting. There was extensive and detailed discussion of strategic options for the Group's further development. Despite the Group's continued excellent operating performance and targeted strategic further development, the stock market valuation of the share does not reflect its success. Further intensification of investor and press relations was jointly initiated.

Supervisory Board meeting on October 6, 2022

The Executive Board presented the status of the integration of km-tec, which was acquired in 2021, in IHSE. Due to the positive business performance and especially the very strong cash flow of Bikeleasing, the Executive Board and the Supervisory Board discussed possible ways of optimizing the internal financing structures. The Executive Board and Supervisory Board discussed the latest interim risk report and the risk policy principles of the Company in detail.

Supervisory Board meeting on November 22, 2022

The Executive Board provided information about the impending process steps up to successful implementation of the sale of Palas. After presentation of the negotiated commercial and legal details, the Supervisory Board noted with approval the sale of the shares in Palas. The Executive Board provided information on the effects of a sale on the balance sheet. The Executive Board and Supervisory Board discussed the positive strategic development opportunities the sale would open up for the Group.

Supervisory Board meeting on November 30, 2022

The Executive Board and Supervisory Board discussed strategic adjustments, including a greater alignment of M&A processes toward recurring revenue business models. The Supervisory Board discussed the selection criteria and the profile of skills and expertise of

a new Supervisory Board member and jointly held an interview with a potential candidate.

Supervisory Board meeting on February 8, 2023

The Supervisory Board unanimously elected Dr. Nathalie Krebs to replace Andreas Peiker, who had left the Supervisory Board, as a member of the Executive and Nomination Committee.

The Supervisory Board discussed various topics relating to its work in connection with the updated declaration of conformity with the German Corporate Governance Code unanimously adopted by the Supervisory Board at the end of January 2023. The Supervisory Board reviewed the existing corporate governance statement. It discussed the Supervisory Board's profile of skills and expertise. The Supervisory Board noted with approval the latest risk report. Other focus points of the meeting were the review of the effectiveness of ICS and RMS and the current status of the preparation of the 2022 annual and consolidated financial statements and the combined management report and the audit of them by the independent auditor from KPMG. The Supervisory Board defined the variable component of the Executive Board's remuneration for the 2023 fiscal year.

In addition, the self-evaluation of the effectiveness of the fulfillment of the tasks of the Supervisory Board and its committees was discussed.

The budget for fiscal year 2023 was discussed and, following a discussion of the assumptions and about the planning risks, the Supervisory Board noted with approval the draft budget presented for 2023.

Supervisory Board meeting on March 29, 2023

The Supervisory Board discussed and approved the Company's accounting and consolidated financial statements and adopted the Report of the Supervisory Board.

The independent auditor reported on the course of the audit, the focus of the audit and the audit results regarding the 2022 annual financial statements of the AG according to HGB, the consolidated

financial statements according to IFRS and the combined management report according to HGB for the financial year 2022. Both the annual financial statements and the consolidated financial statements and the combined management report, the auditor has issued unqualified audit opinions. After its own thorough examination of the accounting documents and the auditor's reports, the Supervisory Board approved the annual financial statements, the consolidated financial statements and the combined management report and approved the appropriation of the annual result for 2022. The annual financial statements are thus adopted. The Supervisory Board discussed the target for the short-term bonuses of the Management Board members and finalized them for the year 2023. The Management Board and the Supervisory Board continued their discussion on the strategic options for value development from the point of view of the company's shareholders.

The work of the Audit Committee

The Audit Committee, which was set up in June 2021, held a total of ten meetings (8 virtual / 2 hybrid) in fiscal year 2022, some of which were held in hybrid form (with some of the members being present in person and others participating virtually) and virtually. All members of the committee took part in all the meetings.

In September 2021, the Supervisory Board adopted rules of procedure for the Audit Committee. These rules of procedure assigned the committee the tasks of dealing with the accounting and the accounting process, the audit and the auditor, with oversight of the internal control system, risk management system, internal audit system, and compliance management system, and with transactions with related parties.

In addition to the committee members, an Executive Board member, the manager responsible for the consolidated financial reporting, and a representative of the auditor took part in most of the committee meetings in the 2022 fiscal year.

The following topics were dealt with at the Audit Committee's meetings:

- > preparation of the rules of procedure for the Audit Committee as the basis for the committee's further work
- > discussion of financial statement preparation processes in the Group, associated internal controls, and improvement potential
- > discussion of the details of individual important accounting policies in the consolidated financial statements
- > discussion of the 2022 half-yearly report and the interim statements for the first and third quarters of fiscal year 2022 before their publication and of the corresponding preparation processes
- > engagement of the auditor for a voluntary content audit of BKHT's remuneration report
- > discussion of the audit planning and audit focal points of the audit of the 2022 financial statements
- > discussion of the impact on the Company of the newly adopted German Act to Strengthen Financial Market Integrity (FISG)

In addition, the chair of the Audit Committee advised on various aspects of the points listed above and important individual topics in the Audit Committee's area of activity in numerous discussions both with members of the Executive Board and the manager responsible for the consolidated financial reporting and with representatives of the auditor. The chair of the Audit Committee in each case informed the other committee members about these discussions at the next meeting. The chair of the Audit Committee also regularly reported on the activities of the Audit Committee at the Supervisory Board meetings.

The work of the Executive and Nomination Committee

The Executive and Nomination Committee, which was also set up in June 2021, did not hold any meetings following an ordinary meeting of the Supervisory Board in fiscal year 2022.

Audit of the financial reporting and consolidated financial reporting in 2022

On June 22, 2022, in response to the proposal of the Supervisory Board, the Company's Annual General meeting elected KPMG AG Wirtschaftsprüfungsgesellschaft ("KPMG") as the auditor of the financial reporting and consolidated financial reporting. KPMG has been the auditor of BKHT's financial statements since the Company was founded in 2017 and has also been the auditor of the consolidated financial statements since the first acquisition of the Company at the end of 2018. Before the Supervisory Board proposed it to the Annual General Meeting as the auditor, KPMG had confirmed to the Chairman of the Supervisory Board that no circumstances existed that could impair its independence as the auditor or give rise to doubts about its independence. The engagement letter for the audit of the annual and consolidated financial statements and of the combined management report was issued by the Supervisory Board following the Annual General Meeting.

KPMG audited BKHT's financial reporting and consolidated financial reporting for the year ended December 31, 2022, and issued an unqualified audit opinion on these on March 28, 2023. The audited financial reporting and consolidated financial reporting consisted of BKHT's annual financial statements prepared in accordance with the

requirements of the German Commercial Code (HGB), its consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and its combined management report in accordance with HGB for fiscal year 2022. In addition, in accordance with section 317 (3a) HGB, KPMG audited and confirmed that the reproduction of the annual financial statements, the consolidated financial statements, and the combined management report, which were contained in the files provided on an electronic data storage medium and retrievable in the client portal with access protection and were prepared for the purpose of publication, complies in all material respects with the requirements of section 328 (1) HGB for the electronic reporting format ("ESEF format").

The Supervisory Board also arranged for KPMG to inform it and note in the audit report if, during the performance of the audit, any facts are identified that indicate an inaccuracy in the Declaration of Compliance regarding the recommendations of the German Corporate Governance Code issued by the Executive Board and Supervisory Board.

The Audit Committee, and in particular, the chair of the Audit Committee, was always closely involved in the preparation of the audit measures, and the support of the auditor and commercial functions in the Group.

Ahead of the financial statements meeting on March 29, 2023, the Supervisory Board received the draft versions of the financial reporting, the consolidated financial reporting, and the corresponding auditor's reports. In the Audit Committee meetings on March 17 and 29, 2023, and in the Supervisory Board meetings on March 29, 2023, the Audit Committee and the Supervisory Board discussed the financial reporting and consolidated financial reporting. At these meetings, the Executive Board and the manager responsible for the consolidated financial reporting reported on the preparation of the documents and the auditor reported on the current status of the audit overall, on the individual key audit matters, and on the key findings of the audit. At their respective meetings, the Audit Committee and the Supervisory Board then discussed the financial reporting, the

consolidated financial reporting, the findings of the audit and the audit reports with the Executive Board and the auditor. All the Audit Committee's and the Supervisory Board's questions were answered. Furthermore, the auditor explained that there were no facts that gave rise to concerns about bias on its part and informed the Supervisory Board about services provided in addition to the audit services. At the Supervisory Board meeting, the Audit Committee also reported on its own review of the financial reporting and consolidated financial reporting, its discussion with the Executive Board and the auditor, and its oversight of the financial reporting process.

Both the Audit Committee and the Supervisory Board were able to satisfy themselves that the audit by KPMG was properly conducted. In particular, the Audit Committee and the Supervisory Board concluded that the audit reports and the audit itself complied with statutory requirements. They therefore approved the findings of the audit, and the Supervisory Board determined that, on the basis of the final result of the review by the Audit Committee and its own review, no objections were to be raised. The Supervisory Board therefore approved the financial reporting and consolidated financial reporting. The annual financial statements were thus adopted in accordance with section 172 sentence 1 of the German Stock Corporation Act (AktG).

Appropriation of the result

The net accumulated losses, consisting of the accumulated losses brought forward from the previous year and the net profit for the fiscal year 2022, are carried forward to new account.

The Supervisory Board thanks the members of the Executive Board and all employees of Brockhaus Technologies AG and its subsidiaries for their enormous personal commitment and our shareholders for the confidence they placed in the Company in this fiscal year, in which the Company posted excellent operating results despite the enormous external challenges that prevailed again.

On behalf of the Supervisory Board

Dr. Othmar Belker, Chairman
Frankfurt am Main, March 2023.