AMADEUS FIRE
PERSONALDIENSTLEISTUNGEN

# Annual General Meeting of Amadeus FiRe AG on 19 May 2022

## Report of the Management Board pursuant to Section 221 (4) sentence 2, Section 186 (4) sentence 2 AktG regarding agenda item 8

Iitem 8 of the agenda for the Annual General Meeting 2022 of Amadeus FiRe AG provides for authorising the Management Board to issue convertible bonds and/or warrant bonds, or any combinations of these instruments, (Bonds) and to create a corresponding Conditional Capital. Adequate capitalisation is a fundamental basis for developing the Company's business. Issuing the Bonds will enable the Company, depending on the market conditions, to exploit attractive financing opportunities, e.g. to raise debt capital at favourable interest rates. The Authorisation proposed under agenda item 9 stipulates that Bonds in an aggregate nominal amount of up to 180,000,000 € may be issued by the Company or its affiliates pursuant to Sections 15 et seq. AktG against contribution in cash or in kind and that a related Conditional Capital of up to 1,143,612 € be created. This corresponds to approximately 20% of the Company's current share capital.

Requirements regarding the conversion or option price

The conversion or option price to be determined in the Bonds' terms and conditions of issue must not be less than a minimum amount the calculation basis of which is stated in the authorisation resolution. The calculation of that amount will be based on the volume-weighted average stock exchange price of the Shares of the Company in the electronic trading on the Frankfurt Stock Exchange close to the time of the Bonds' issue. In detail, the conversion or option price must be equal to at least 80% of the volume-weighted average price of the Shares of the Company in XETRA trading on the Frankfurt Stock Exchange on the date of the setting of the terms and conditions of the Bonds. Consequently, the possibility of a markup will be preserved, in order to be able to account for the capital market conditions prevailing at the time of the Bonds' issue.

The conversion or option price may be adjusted as specified in more detail in the Bonds' terms and conditions of issue applicable in each case by what is referred to as antidilution provisions and other mechanisms, e.g. if the Company carries out capital measures during the term of the Bonds (such as a capital increase where shareholders have a subscription right or a capital reduction) or any other measures, or if any events occur that result in a dilution or other impairment of the value of the holders' option or conversion rights or obligations (e.g. acquisition of control by third parties, distribution of dividends, conversion measures). Adjustment of the conversion or option price as specified, or protection against dilution, can be ensured, in particular, by granting subscription rights or by granting cash components.

Subscription right and conditions for excluding the subscription right

When Bonds are issued, shareholders must generally be granted a subscription right. It is intended for the Management Board to be authorised to exclude, subject to approval by the Supervisory Board, the shareholders' subscription right under certain conditions. These conditions are specified in detail in the proposed resolution and will be explained in further detail below:

Fractional amounts when Bonds are issued

The purpose of authorising exclusion of the subscription right in respect of fractional amounts is to allow establishing a practicable subscription ratio in view of the scope of the issue of Bonds. This leads to the technical processing of the issue of Bonds being reasonably facilitated. In case the subscription right is not excluded in respect of fractional amounts, the technical processing of the issue of Bonds and the exercise of the subscription right will be rendered much more complicated, due to fractions of Bonds, if a round number of Bonds is issued. The Bonds which are excluded from the shareholders' subscription right because of them being free fractional Bonds are realised, in the best possible manner from the Company's perspective, either by being sold on the stock exchange or in any other form. As a result of any exclusion of the subscription right being limited in this context to the fractional amounts, a possible dilution effect will be limited.

Issue to holders of option or conversion rights

If the subscription right is excluded in favour of holders of Bonds already issued, as is market standard, this will have the advantage of avoiding reduction of the conversion or option price of Bonds already issued which usually have an antidilution mechanism. As a result, the Bonds can be placed in several tranches, which renders such placement more attractive, and, overall, this enables a higher inflow of funds.

Issue against contribution in cash at a price not significantly below the market value

The Management Board is further authorised to exclude, subject to approval by the Supervisory Board, the shareholders' subscription right in analogous application of Section 186 (3) sentence 4 AktG. In such case, any Bonds carrying option rights, conversion rights, option obligations and/or conversion obligations must be issued against contribution in cash at a price which is not significantly below the theoretical market value of such Bonds. This enables the Company to exploit market opportunities quickly and flexibly and to achieve better conditions when determining the interest rate and issue price of the Bond by setting close-to-market conditions. When subscription rights are granted, it is not always easily possible to set close-to-market conditions and to ensure smooth placement. It is true that Section 186 (2) AktG allows for publication of the subscription price (and thus the conditions of issue of these Bonds) until the third last day of the subscription period. However, even in that case, in view of volatility in the equities markets, which is frequently observed, there is a market risk over a period of several days, which may result in haircuts when the terms and conditions of issue are determined and thus in terms and conditions other than close-to-market terms and conditions. Furthermore, when subscription rights are granted, successful placement with third parties is jeopardised or requires additional efforts, due to uncertainty related to the exercise of such subscription rights (subscription behaviour). Finally, if subscription rights are granted, the Company, due to the length of the subscription period, might be unable to react sufficiently rapidly to favourable or unfavourable market conditions, but will be exposed, first and foremost, to a decline in share prices during the subscription period, which may result in the financing being less favourable for the Company.

In such case, the shareholders' interests will be safeguarded mainly because the Bonds may not be issued at a price significantly below their theoretical market value. Such theoretical market value is to be determined in accordance with generally accepted methods of financial mathematics. When setting the price, the Management Board, taking into account the situation of the capital markets prevailing at the relevant time, will ensure that any markdown to be applied to the stock exchange price will be as low as possible. By doing so, it will keep the arithmetic market value of a subscription right as low as possible, as a result of which shareholders will not suffer any significant economic disadvantage due to the subscription right's exclusion.

Furthermore, the shareholders' interests will be safeguarded in this case of exclusion of the subscription right because the Shares of the Company to be issued on the basis of conversion or option rights must not account for more than up to 10% of the share capital. This enables shareholders to secure their previous percentage of the share capital after exercising conversion or option rights by buying shares via the stock exchange, without being necessarily dependent on a subscription right to do so. The value to be taken into account for calculating the 10% threshold is the lesser of (i) the amount of the share capital at the time when the resolution is passed by the General Meeting or (ii) the amount of the share capital at the time when the Authorisation is used. This ensures that, even after capital reduction measures, the 10% threshold will not be exceeded. Any issues and disposals of shares and any issue and disposal of rights (and obligations, if any) to subscribe for shares will be taken into account concerning the 10% threshold, unless these issues or disposals are effected under any other authorisations and excluding the subscription right pursuant to Section 186 (3) sentence 4 AktG.

Facilitating acquisitions of entities

The purpose of the Authorisation to exclude the subscription right in the case of issuance against contributions in kind is, in particular, to facilitate the acquisition of other entities, parts of entities, participations in entities or other assets against Bonds being granted. In the event of the acquisition of entities, parts of entities or participations in entities or the acquisition of other assets by way of Bonds being issued against contributions in kind leading to tax savings on the part of the seller or of the seller being interested for any other reason in acquiring Bonds rather than being paid money, the possibility of offering Bonds as consideration will strengthen the Company's negotiation position. It may also be useful, given the Company's particular interests, too, to offer the seller new Bonds as consideration instead of, or in addition to, payment in cash. By means of the Authorisation to be granted to the Management Board, the Company may react quickly and flexibly in the case of opportunities arising and may acquire, in individual cases, entities or parts of entities or participations in entities or other assets against new Bonds being issued.

In any case, the Management Board will only use the possibility of issuance against contributions in kind with the subscription right being excluded provided that the ratio of the value of the Bonds to the value of the consideration (i.e. the value of the entity or part of the entity, the participation in such entity or other asset to be acquired) is reasonable. In this respect, the Management Board will, in particular, take into account the stock exchange price of the shares to which the conversion or option rights or obligations associated with the Bonds relate.

Potential exclusions of subscription rights are limited to 10% of the share capital

The Management Board may use the options contained in the proposed Authorisation regarding the exclusion of subscription rights in the case of the issue of Bonds only to the extent that the total of the new shares to be issued for such Bonds does not exceed, in terms of the notional share in the share capital, a threshold of 10%. In this respect, too, the time at which the Authorisation takes effect or, if such value is lower, the time at which such Authorisation is exercised is decisive. In addition, if during the term of this Authorisation other, similar authorisations are exercised and, in the course thereof, the subscription right is excluded, this will be taken into account concerning the 10% threshold. This limits the total amount of Bonds being issued with an exclusion of subscription rights. Thereby, shareholders receive additional protection against potential dilution of their existing shareholdings.

All of the above ensures that the value of the shares is not diluted as a result of the exclusion of subscription rights or that such dilution is at least reduced and that the Company is at the same time able to make good use of an exclusion of subscription rights, enabling it to determine issue terms close to the market, to achieve as much certainty as possible in terms of placement and to quickly take advantage of any favourable market conditions. This is in the Company's and its shareholders' interests.

The Management Board will examine in each case whether the exercise of the Authorisation and a potential exclusion of subscription rights are in the Company's and its shareholders' interests. The Management Board will report to the General Meeting on each exercise of the Authorisation to issue warrant and/or conversion bonds. Currently, the Management Board does not have any plans to exercise the Authorisation to issue warrant and/or convertible bonds.