SCHWEIZER

Schramberg
ISIN: DE0005156236
WKN: 515 623

Information on agenda item 9

Report of the Executive Board on agenda item 9 in accordance with Section 203(2) Clause 2 German Stock Corporation Act (AktG) in conjunction with Section 186(4) Clause 2 German Stock Corporation Act (AktG)

In order to expand the company's scope of action, the Executive Board is to be authorised, with the consent of the Supervisory Board, to increase the company's share capital by up to EUR 4,832,026.93 in total in return for cash or non-cash contributions from authorised capital by 24 June 2026.

The newly created shares are generally to be offered to shareholders to purchase. However, in the following cases, the Executive Board should be authorised to exclude the subscription right of shareholders:

- The Executive Board proposes under item 9 subparagraph a) aa) to exclude the subscription right of the shareholders in the case of cash capital increases in accordance with Section 186 (3) Clause 4 German Stock Corporation Act (AktG) for shares in the calculated amount of up to 10% of the share capital, whereby the 10% limit overall, i.e. also when combined with any other authorisations leading to a direct or indirect application of Section 186 (3) Clause 4 German Stock Corporation Act (AktG), may not be exceeded. The option to exclude subscription right, which was introduced with the authorisation, enables the administration to take advantage of favourable stock market situations in the short term and to achieve a higher inflow of funds by quickly placing young shares without time-consuming and cost-intensive settlement of subscription right. The requested exclusion of subscription right serves the interest of the company in issuing shares to institutional investors, for example. As a result, acquisition of new, additional shareholder groups at home and abroad is possible. When the authorisation is used, the Executive Board shall determine the issue amount per new no-par-value share in such a way that the reduction to the stock exchange price is not expected to be more than 3%, but in any case not more than 5%, of the then current stock exchange price of the no-par-value share of the company. This requirement protects the shareholders from an inadmissible dilution of their shareholdings.

- The information given under item 9 subparagraph a) bb) Requested authorisation to exclude subscription right enables the Executive Board to have shares in the company available at short notice within the framework of company mergers or for the purpose of (including indirect) acquisition of companies, parts of companies, participations in companies or other assets or claims to the acquisition of assets, including receivables against the company or its group companies. Schweizer Electronic AG is in fierce competition with other companies both nationally and internationally and must be able to act quickly and flexibly in the interests of its shareholders at all times. This also includes the option to acquire companies or holdings in them or other assets to improve the competitive situation. The acquisition of companies or holdings is usually done by means of consideration in cash. In certain cases, however, providers are also interested in consideration in the form of shares (share exchange). Buyers who can offer a share exchange thus have a competitive advantage when acquiring companies or holdings. It is also conceivable that the consideration for such an acquisition can only be provided in part in cash in order not to jeopardise the liquidity of the company. The consideration is therefore often granted in comparable transactions in shares of the acquiring company. The authorisation proposed here is intended to give Schweizer Electronic AG the necessary flexibility to take advantage of the opportunities offered to acquire companies or shareholdings in them quickly and flexibly.

- In addition, the subscription right under agenda item 9 subparagraph a) cc) can be excluded with the consent of the Supervisory Board in order to grant subscription right to the holders or creditors of conversion/option rights to shares in the company or corresponding conversion/option obligations to compensate for dilutions to the extent to which they are entitled after exercising these rights or fulfilling these obligations. This makes it possible to grant a standard form of dilution protection to the creditors of such instruments. They are thus placed as if they were already shareholders. The granting of a subscription right for the holders of conversion or option rights is an alternative to the adjustment of the conversion or option price, which would otherwise have to be made. In order to provide the bonds with such a dilution protection, the subscription right of the shareholders to these shares must be excluded.

- Under agenda item 9 subparagraph a) dd), the authorisation provides the option to exclude subscription right, insofar as the shares are employee shares are issued to employees of Schweizer Electronic AG or affiliated companies within the meaning of Sections 15 et seqq. of the German Stock Corporation Act (German Stock Corporation Act (AktG)) at preferential conditions. The issue of employee shares to employees is an important tool for employee retention and motivation. At the same time, the assumption of shared responsibility is encouraged.

- Finally, according to agenda item 9 subparagraph a) ee), the Executive Board shall be authorised to exclude the subscription right of the shareholders to carry out a so-called share dividend (scrip dividend). In the case of share dividends, shareholders are offered the option of investing their dividend entitlement (in whole or in part) in kind in the company in order to purchase new shares in the company in return. The execution of a share dividend will generally take place as a real rights issue while respecting the shareholders' rights and the principle of equal treatment (Section 53a German Stock Corporation Act (AktG)). In individual cases, however, depending on the capital market situation, it may be preferable to arrange the implementation of a share dividend in such a way that, while the Executive Board offers all shareholders entitled to dividends new shares from the authorised capital in compliance with the general principle of equal treatment (Section 53a German Stock Corporation Act (AktG)), in order to claim their dividend claim, it formally excludes the subscription right of the shareholders as a whole. The execution of the share dividend with formal exclusion of the subscription right makes it possible to execute the share dividend on more flexible terms, in particular without being bound by the minimum subscription period and by the legally stipulated date for the notification of the issue amount. In view of the fact that all shareholders are offered the new shares and excess dividend portions are settled by payment of the cash dividend, the exclusion of subscription right provided for under agenda item 9 subparagraph a) ee) appears justified and appropriate. When deciding on the type of share purchase or a combination of different types of share purchase to finance such measures, the Executive Board will be solely driven by the interests of the company and the shareholders.

- The information given under agenda item 9 subparagraph a) third-last paragraph requested authorisation to exclude the subscription right for fractional amounts enables the capital increase in a smooth subscription ratio. This facilitates the processing of the shareholders’ subscription right. The new shares excluded from the shareholders' subscription right as free fractions will either be sold on the stock exchange or otherwise utilised in the best way possible for the company. Since any exclusion of the subscription right here is limited to fractional amounts, any potential dilution effect is low.

The Executive Board may only avail of its granted authorisation to exclude the subscription right to such an extent overall that the pro rata amount of the shares issued subject to the exclusion of the subscription right does not exceed 20% of the share capital, neither on the date the resolution is passed on this authorisation nor at the time of its utilisation. This limits the total amount of shares issued without subscription right from the authorised capital. Insofar as use is made, during the term of the authorised capital until its use, of other authorisations to issue or to sell company shares or to issue rights that allow the purchase of company shares or make it obligatory, while the subscription right is excluded, this must be credited against the aforementioned 20% limit. In this way, the shareholders are additionally hedged against dilution of their existing holding.

In any case, the Executive Board will carefully examine whether the use of the authorisation to issue new shares and, if applicable, to exclude the subscription right is in the interests of the company and its shareholders. It will report to the Annual General Meeting on any use of the authorisation.