

Annex to agenda item 9

Report of the Management Board on agenda item 9 on the exclusion of subscription rights when using Authorized Capital 2023 pursuant to section 203 (2) sentence 2 in conjunction with section 186 (4) sentence 2 of the *Aktiengesetz* (AktG — German Stock Corporation Act)

The termination of the current Authorized Capital 2019 and the creation of a new authorized capital (Authorized Capital 2023) are proposed to the Annual General Meeting under agenda item 9.

The current Authorized Capital 2019 was resolved on by the shareholders' meeting on May 22, 2019, for a period of five years. This authorization has not been exercised so far.

Authorized Capital 2019 will expire on May 21, 2024, and thus presumably before the Annual General Meeting taking place in fiscal year 2024. It is to be replaced by a new capital, Authorized Capital 2023, which has a five-year term and is valid until May 31, 2028, provided Authorized Capital 2019 has not yet been utilized at the time when its termination takes effect. The termination of Authorized Capital 2019 will only take effect once Authorized Capital 2019 has been replaced by the new Authorized Capital 2023.

Pursuant to agenda item 9, it is proposed to the Annual General Meeting to terminate Authorized Capital 2019 and create a new authorized capital in the amount of up to EUR 200,000,000 (this corresponds to 40% of the Company's current share capital) through the issuance of up to 200,000,000 new bearer shares with no par value (*Stückaktien*) in return for contributions in cash or in kind (Authorized Capital 2023).

The proposed capital, Authorized Capital 2023, is intended to enable the management of TRATON SE to obtain, to a reasonable extent, any capital that it may require quickly and flexibly over the next five years. Regardless of when the Annual General Meetings take place, the availability of financing instruments is an issue of particular significance since it is not always possible to determine when the funds may be required by ahead of time. Additionally, when competing with other companies, transactions can often only succeed if the financing instruments that have been guaranteed are already available at the start of negotiations. Corresponding legislation has taken this requirement into account and allows stock corporations in Germany to authorize their management to increase the company's share capital without an additional resolution of the annual general meeting, with this authorization having a fixed term and a fixed amount.

Shareholders are generally to be granted a subscription right when shares are issued from authorized capital. The shares may also be taken up by a credit institution or a financial institution operating under section 53 (1) sentence 1 or section 53b (1) sentence 1 or (7) of the *Kreditwesengesetz* (KWG — German Banking Act) or a syndicate of such credit or financial institutions, in each case as determined by the Management Board, subject to an undertaking to offer the shares to shareholders for subscription (so-called indirect subscription right).

However, the subscription right of shareholders may be excluded in the following cases.

Subject to the Supervisory Board's consent, the Management Board is authorized to exclude the subscription right of shareholders to settle fractional amounts occurring due to a capital increase against cash contributions. The authorization to exclude subscription rights for fractional amount allows the Company to present a practicable subscription ratio with regard to the amount of the respective capital increase. If the subscription right were not excluded, the technical implementation of the capital increase and the exercise of the subscription right would be considerably more difficult, especially if the capital increase is a round number. The fractions of shares excluded from shareholders' subscription rights will be realized either by sale through a stock exchange or in any other manner so as to best further the Company's interests.

In addition, subject to the Supervisory Board's consent, subscription rights are to be excluded where this is necessary to grant subscription rights to new shares to holders or creditors of convertible bonds or bonds with warrants or convertible participation rights issued by the Company or entities in which the Company holds a direct or indirect majority interest, to the extent to which they would be entitled to such subscription rights as shareholders after exercising their conversion or option rights or, as the case may be, after fulfillment of their option or conversion obligations. To make it easier to place bonds on the capital market, the relevant issuing terms usually provide for protection against dilution. One of the possibilities to ensure protection against dilution is to also grant the holders of bonds or participation rights with conversion or option rights or conversion or option obligations a subscription right to new shares when shares are issued to which shareholders have a subscription right. This places the holders in the same position they would be in if they had already exercised their option or conversion right or had already fulfilled their conversion or option obligations. In these cases, the protection against dilution does not need to be guaranteed by reducing the option or conversion price, which means that a higher issue price can be achieved when the no-par value shares are issued as a result of the conversion or the option being exercised. However, this is only possible if shareholders' subscription right has been excluded. Since guaranteeing protection against dilution makes it easier to place

bonds or participation rights with conversion or option rights or conversion or option obligations, the exclusion of subscription rights optimizes the Company's financial structure and is therefore in the interests of its shareholders.

Furthermore, subject to the Supervisory Board's consent, the Management Board is authorized to exclude subscription rights for capital increases against cash contributions if pursuant to section 186 (3) sentence 4 of the AktG shares are issued up to an amount that is not significantly lower than the stock market price of the Company's shares. Taking into account any current market developments, the Management Board will endeavor to minimize any markdown on the share price as much as possible. This authorization allows the Company to cover any capital requirements, even on very short notice, in order to leverage market opportunities across various business areas quickly and flexibly. Excluding subscription rights enables the Company to act very quickly and place these instruments at a price close to the stock market price of the Company's shares, i.e., without the usual deduction for subscription right issues. This capital increase may not exceed 10% of the share capital either at the time the authorization becomes effective or — in the event that this amount is the lower one — when it is exercised. The 10% limit includes shares that (i) were issued or sold during the term of this authorization up to the time of it being exercised with the exclusion of subscription rights on the basis of other authorizations in direct or mutatis mutandis application of section 186 (3) sentence 4 of the AktG or (ii) were issued or are to be issued to service bonds or participation rights with conversion or option rights or conversion or option obligations, provided that the bonds were issued during the term of this authorization up to the time of it being exercised with the exclusion of subscription rights in mutatis mutandis application of section 186 (3) sentence 4 of the AktG.

This limit takes into account shareholders' need for their shareholdings to be protected against dilution. Thanks to a share issue price that is close to current market quotations and to the ceiling of a capital increase excluding subscription rights, shareholders are generally able to maintain their shareholding percentage by acquiring the necessary number of shares on terms that approximate those in force at a stock exchange. This ensures that the economic and voting rights of shareholders are adequately protected when shares are issued from authorized capital with the exclusion of subscription rights in accordance with the legal assessment in section 186 (3) sentence 4 of the AktG, while giving the Company additional scope of action in the interest of all shareholders.

Furthermore, subject to the Supervisory Board's consent, the Management Board is authorized to exclude shareholders' subscription right in the event of capital increases against contributions in kind. This means that in suitable individual cases, the Management Board can use the Company's shares to acquire enterprises, parts of enterprises, or equity interests in enterprises, or to acquire other assets. In the course of negotiations, it may become necessary to offer shares instead of cash as consideration. The possibility of offering the Company's shares as consideration is particularly necessary when competing internationally for interesting acquisition opportunities and gives the Company the freedom to leverage suitable opportunities to acquire enterprises, parts of enterprises, or equity interests in enterprises, or to acquire other assets, without compromising its liquidity. Offering shares may also make sense when it comes to optimizing the Company's financing structure. This authorization allows the Company to also acquire larger enterprises or investments in enterprises in suitable cases, provided this is in the interests of the Company and thus also its shareholders. Sellers of attractive acquisition objects often insist on acquiring shares as consideration because this may be more cost-effective. The Company should also be able to offer shares as consideration when purchasing another enterprise's assets or receivables. It must be possible to exclude shareholders' subscription rights for both of these scenarios. Since these types of acquisitions need to be implemented quickly, they generally cannot be resolved on by the annual general meetings that only take place once a year. What companies need instead is an authorized capital that the Management Board can access quickly with the consent of the Supervisory Board. Authorized Capital 2023 proposed above is also designed to be used in those cases. The Company is not disadvantaged as a result since issuing shares against contributions in kind requires the value of said contributions to be proportionate to the value of the shares. When determining this ratio, the Management Board will ensure that the interests of the Company and its shareholders are adequately protected and that the new shares are issued at an adequate price. In each individual case where there is a specific opportunity to acquire enterprises, parts of enterprises, or equity interests in enterprises, or to acquire other assets, the Management Board will carefully examine whether to exercise its authorization to increase capital with the exclusion of subscription rights and also consider carefully whether the shares offered as consideration should be issued, either in full or in part, by means of a capital increase or — provided the relevant conditions have been met — by purchasing treasury shares.

The Management Board will only exclude shareholders' subscription right if issuing the Company's shares as consideration for the acquisition is in their beneficial interest. The Supervisory Board will only grant the consent needed to issue shares from authorized capital excluding shareholders' subscription rights if the conditions described above as well as all statutory requirements have been met. The Management Board will provide the details of how shares are issued from authorized capital in each particular case in the Annual General Meeting that takes place after the Company issues any shares from its authorized capital. There are no current plans to issue shares from authorized capital.