

REPORT OF THE MANAGEMENT BOARD RELATING TO AGENDA ITEM 7

ON THE EXCLUSION OF SUBSCRIPTION RIGHTS IN ACCORDANCE WITH SEC. 221 (4) SENTENCE 2 AKTG IN CONJUNCTION WITH SEC. 186 (4) SENTENCE 2 AKTG

The authorization granted by the Annual General Meeting on May 15, 2023, under agenda item 4 to issue bonds with warrants and/or convertible bonds expires on August 31, 2026. As of today, that authorization has not been used.

To maintain an adequate capital structure, the Management Board is to be authorized again in a comparable scope to issue bonds with warrants and convertible bonds and, with effect as of September 1, 2026, the creation of new Conditional Capital 2026 is to be approved by resolution.

The Management Board and the Supervisory Board therefore propose that a resolution be adopted on granting an authorization to issue bonds with warrants and convertible bonds and to exclude subscription rights for these bonds with warrants or convertible bonds and on simultaneously creating conditional capital 2026 (Conditional Capital 2026) as well as on making corresponding amendments to the Articles of Association.

The proposed authorization to issue bonds with warrants and/or convertible bonds ("bonds") with a total nominal value of up to EUR 2.800,000,000.00 and the proposed creation of the corresponding conditional capital of up to EUR 70,000,000.00 is intended to broaden the Company's options – described in detail below – for financing its activities and to enable the Management Board to seize, subject to the approval of the Supervisory Board, flexible and short-term financing opportunities, in particular in the event of favorable capital market conditions. The authorization is being granted for the period lasting from September 1, 2026, until August 31, 2029.

The shareholders are generally entitled to statutory subscription rights with regard to the bonds (Sec. 221 (4) in conjunction with Sec. 186 (1) AktG). In order to facilitate processing, the option is to be provided that the bonds may be issued to a credit institution or a consortium of credit institutions subject to the obligation to offer them to the shareholders in accordance with their subscription rights (indirect subscription right within the meaning of Sec. 186 (5) AktG).

The exclusion of subscription rights for fractional shares allows the requested authorization to be used with round amounts. This facilitates the processing of the shareholders' subscription rights. The exclusion of subscription rights to the benefit of holders of conversion rights or obligations and warrant rights previously issued by the Company or by companies that are controlled by the Company or that are directly or indirectly majority-owned by the Company has the advantage that the conversion or warrant price for the already issued conversion rights or obligations or warrant rights does not have to be reduced. The exclusion of subscription rights in both cases is therefore in the interests of the Company and its shareholders.

Unless a right of alternative performance or a conversion obligation has been stipulated, the issue price for new shares must equate to at least 80% of the stock exchange price determined as near in time as possible to the issuance of the bonds that have warrant rights or conversion rights or obligations attached. The possibility of charging a premium (which may increase after the term to maturity of the bonds with warrants or convertible

bonds expires) ensures that the terms and conditions of the convertible bonds and/or bonds with warrants can account for the prevailing capital market situation at the time of their issuance.

In the event that a right of alternative performance or a conversion obligation is stipulated, the bond terms and conditions must stipulate that the issue price of the new shares must equate to at least either the aforementioned minimum price or the volume-weighted, average closing price of the Company's no-par value shares in electronic trading on the Frankfurt Stock Exchange over the five stock exchange trading days prior to the day of maturity, or another determined point in time, even if this average price is below the aforementioned minimum price (80%).

In addition, the Management Board is authorized to entirely exclude, subject to the approval of the Supervisory Board, the shareholders' subscription rights where the bonds are issued in return for cash payment at a price that is not substantially below the market value of the bonds. This enables the Company to benefit from a favorable market situation quickly and on very short notice and to achieve better conditions when setting the interest rate, warrant or conversion price and issue price of the bonds with warrants and/or convertible bonds by setting terms in line with market conditions. If subscription rights were preserved, it would not be possible to set terms in line with market conditions and ensure a smooth placement process. Although Sec. 186 (2) AktG allows publication of the subscription price (and thus the terms and conditions of a bond) up to the third from last day of the subscription period, the frequently observed volatility of the stock markets also means that there is still a market risk over several days, leading to safety margins when a bond's terms are set and thus resulting in terms that are not in line with market conditions. The existence of subscription rights may also jeopardize the successful placement with third parties and involves additional costs due to the uncertainty of whether those rights will be exercised. Finally, if the Company grants subscription rights, it cannot react quickly to favorable or unfavorable market conditions due to the length of the subscription period, but is exposed to declining share prices during the subscription period, which may lead to unfavorable equity procurement for the Company.

In the event subscription rights are excluded entirely, the provision set forth in Sec. 186 (3) sentence 4 AktG applies analogously pursuant to Sec. 221 (4) sentence 2 AktG. The limit of 20% of the capital stock in aggregate applicable to exclusions of subscription rights provided for in the former provision will be complied with as stipulated in the resolution. The amount of conditional capital, which in this case is to be made available only to the extent necessary for the purpose of securing warrant rights or conversion rights or obligations, must not exceed 10% of the capital stock existing at the time the authorization to exclude subscription rights pursuant to Sec. 186 (3) sentence 4 AktG becomes effective. The authorizing resolution contains a provision that also ensures that this limit will not be exceeded in the event of a capital reduction because the authorization to exclude subscription rights expressly stipulates that 10% of the capital stock must not be exceeded either at the time the authorization becomes effective or – if this amount is lower – at the time the authorization is exercised. This maximum amount includes any shares that are issued or to be issued under bonds with warrants or convertible bonds provided that the bonds have been or are being issued during the term of this authorization in analogous application of Sec. 186 (3) sentence 4 AktG with subscription rights excluded; also, the amount must take into account any shares that have been or are being issued or sold during the term of this authorization pursuant to or in analogous application of Sec. 186 (3) sentence 4 AktG. Although Sec. 186 (3) sentence 4 AktG allows in this respect a limit of 20% of the capital stock in aggregate for exclusions of subscription rights, the relevant provision in the Company's authorizing resolution stipulates merely a 10% limit, meaning that the statutory limit will be complied with in any event.

Sec. 186 (3) sentence 4 AktG further provides that the issue price must not be substantially below the stock exchange price. This is to ensure that no significant dilution of the economic value of the shares occurs. Whether or not there will be such a dilutive effect in connection with the issuance of convertible bonds or bonds with warrants with subscription rights excluded can be determined by calculating the notional market price of the convertible bonds or bonds with warrants based on recognized methods, particularly those of financial mathematics, and comparing that value to the issue price. If, following due review, the issue price is deemed to be only insignificantly lower than the notional market price at the time the convertible bonds or bonds with warrants are issued, an exclusion of subscription rights is permissible in accordance with the intent and purpose of the provision laid down in Sec. 186 (3) sentence 4 AktG owing to the insignificant discount. The resolution therefore stipulates that, prior to issuing the convertible bonds or bonds with warrants, the Management Board must conclude, following due review, that the proposed issue price will not cause any significant dilution of the

value of the shares. This means that the notional market value of a subscription right would decrease to almost zero, with the effect that the shareholders will not suffer any significant economic disadvantage on account of the exclusion of the subscription rights. All this ensures that no significant dilution of the value of the shares will result from the exclusion of subscription rights.

Moreover, even after the exercise of conversion or option rights, the shareholders have the option of maintaining their proportionate holding in the capital stock of the Company by buying additional shares via the stock exchange at any time. By comparison, the authorization to exclude the subscription rights allows the Company to set terms in line with market conditions, to have the greatest degree of certainty possible with regard to the possibility to place the bonds with third parties and to benefit from favorable market conditions on short notice.

Lastly, the option to exclude subscription rights is to be given in order that bonds may be issued in return for non-cash consideration. In this context, the Management Board will ensure that the value of the non-cash consideration is reasonably proportionate to the value of the bond. This will be determined based on the market value of the bond calculated using recognized methods of financial mathematics. In particular, the issuance of bonds in return for non-cash consideration is to give the Company the option to also use bonds in connection with business combinations or acquisitions of companies, parts of companies or interests in companies, or assets. Furthermore, the Company wishes to continue to have the option to strengthen its competitiveness and increase its profitability by means of such acquisitions. In such cases, consideration often cannot or should not be provided in cash. Sellers often also insist on receiving a different form of consideration. One attractive alternative in such cases can be to offer bonds with conversion or warrant rights or obligations instead of, or in addition to, granting shares or making cash payments. This option creates additional flexibility and increases the Company's competitive chances in acquisitions. In each individual case, the Management Board will carefully consider whether the acquisition and granting of bonds in return for non-cash consideration is in the Company's interests. The Management Board will only exclude shareholders' subscription rights if this is the case.

The foregoing authorizations to exclude subscription rights are in aggregate limited to an amount of up to 20% of the capital stock existing at the time this authorization becomes effective or – if this amount is lower – at the time bonds with warrants and/or convertible bonds are issued. This maximum amount of 20% of the capital stock includes the proportionate amount of the capital stock attributable to shares issued or sold during the term of this authorization with shareholders' subscription rights excluded. It is thus ensured in the best interests of our shareholders that the total cap, i.e., 20% of the capital stock, on measures that exclude subscription rights is upheld.

In order for Conditional Capital 2026 to seamlessly follow Conditional Capital 2023, which will expire on August 31, 2026, the Management Board is instructed to apply for registration of the amendments to the Company's Articles of Association on the creation of Conditional Capital 2026 as of September 1, 2026, in the commercial register.

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