

Explanations for the shareholders

Annual General Meeting of KPS AG on 10 May 2023

Dear Shareholder,

if you are registered in the Company's share register, a registration form will be sent to you together with the invitation letter. With this form you can:

- Request tickets for personal attendance or for an authorised representative
- or
- authorise and instruct proxies appointed by the Company to vote on the resolutions proposed by the Administration.

Only those shareholders who register for the Annual General Meeting in text form (§ 126b BGB) and are entered in the Company's share register are entitled to attend the Annual General Meeting and exercise their voting rights. The registration for participation in the Annual General Meeting must be received by the Company at the latest by the end of 3 May 2023, 24:00 hours (CEST) at the following address or e-mail address:

KPS AG
c/o Computershare Operations Center
80249 Munich
e-mail: anmeldestelle@computershare.de

The Company continues to offer its shareholders the opportunity to register online via the shareholder portal, which they can access via the Company's website at <http://www.kps.com> (in the "Company" section under "Investor Relations" and then under "Annual General Meeting"), subject to the aforementioned registration deadline. To access the shareholder portal, shareholders need their shareholder number and the corresponding password.

The shareholders entitled to attend or their respective proxies will receive admission tickets to the Annual General Meeting. Shareholders who register via the shareholder portal have the option to print out their admission ticket directly or to have it sent to them by e-mail.

In order to ensure the smooth running of the Annual General Meeting and proper authorisation, we kindly ask you to observe the following instructions:

1. Personal participation

If you wish to attend the Annual General Meeting in person, please request an admission ticket for personal attendance using the registration form or via the shareholder portal and show or present its upper section at the access point for shareholders at the Haus der Bayerischen Wirtschaft.

At the entrance for shareholders, you will then be handed a voting sheet. For a complete attendance record, we kindly ask you to present or show all admission tickets in your possession.

The meeting rooms are already open from 10:00 am.

2. Voting by electronic absentee ballot and proxy voting by proxies appointed by the Company or other third parties

Shareholders and their proxies may also exercise their votes at this year's Annual General Meeting via the shareholder portal by means of electronic communication (postal vote). For further details, please refer to the invitation to the Annual General Meeting and to section III. 4 therein.

Shareholders may also authorise third parties to attend the Annual General Meeting and exercise their voting rights. In addition, we offer our shareholders and their proxies to be represented at the Annual General Meeting by proxies appointed by the Company in accordance with their instructions. Also in these cases proper registration for the Annual General Meeting is required. For details, please refer to the invitation to the Annual General Meeting and section III. 5. there.

3. Explanations pursuant to § 124a sentence 1 no. 2 AktG

There will be no resolution on agenda item 1, presentation of the approved annual financial statements and the management report for KPS AG, including the explanatory report of the Executive Board on the disclosures pursuant to Section 289a of the German Commercial Code (HGB) as of 30 September 2022, as well as the approved consolidated financial statements and the consolidated management report for KPS AG and the Group as of 30 September 2022, including the explanatory report of the Executive Board on the disclosures pursuant to Section 315a of the German Commercial Code (HGB) as of 30 September 2022, and presentation of the report of the Supervisory Board for the financial year 2021/2022:

- § Section 175 of the German Stock Corporation Act (AktG) provides that the Annual General Meeting receives the approved annual financial statements, the management report, and, in the case of a parent company, also the consolidated financial statements approved by the Supervisory Board and the group management report. A resolution by the Annual General Meeting of KPS AG is not required with regard to these documents. The annual financial statements and the consolidated financial statements of KPS AG for the financial year 2021/2022 were approved by the Supervisory Board. The annual financial statements are thus adopted. A special case pursuant to Section 173 AktG, according to which the adoption of the annual financial statements is left to the Annual General Meeting if the Executive Board and the Supervisory Board so resolve, does not exist.
- Also with regard to the report of the supervisory board, no resolution of the general meeting is required. Pursuant to § 171 para. 2 AktG, the supervisory board shall submit a written report to the general meeting. The report shall inform the shareholders and the public about the result of the supervisory board's examination of the financial statement documents. Furthermore, the report is an accountability report of the supervisory board on its own activities. The law does not provide for a resolution also regarding the report of the supervisory board to the general meeting. The chairman of the supervisory board shall explain the report of the supervisory board at the general meeting.
- The resolution on the appropriation of the balance sheet profit will be adopted under agenda item 2.

The documents mentioned under agenda item 1 are also available during the Annual General Meeting on the Company's website at

<https://www.kps.com/de/de/company/investor-relations/general-meetings/2023.html>.

4. Explanation of shareholders' rights pursuant to section 121 (3) sentence 3 no. 3 AktG

a) Requests for additions to the agenda pursuant to section 122 (2) AktG

Shareholders whose shares together amount to one-twentieth of the share capital (corresponding to 1,870,605 shares) or the proportionate amount of EUR 500,000.00 (corresponding to 500,000 shares) may request that items be placed on the agenda and announced. Each new item must be accompanied by a statement of reasons or a draft resolution. The request must be addressed in writing to the Executive Board of KPS AG and must be received by the Company no later than the end of 9 April 2023, 24:00 hours (CEST). We request that requests for supplements be sent to the following address:

KPS AG
- for the attention of the Executive Board -
Beta Street 10h
85774 Unterföhring

Pursuant to section 122 para. 1 and para. 2 of the German Stock Corporation Act (AktG), the shareholders concerned must prove that they have held the aforementioned minimum number of shares for at least 90 days prior to the date of receipt of the request and that they will hold them until the decision of the executive board on the request. § Section 121 (7) AktG shall apply accordingly to the calculation of the time limit. Therefore, the receipt of the request shall not be counted. A postponement of the deadline from a Sunday, a Saturday or a public holiday to a preceding or following working day is not possible. Sections 187 to 193 of the Civil Code (BGB) shall not apply mutatis mutandis.

Additions to the agenda that are to be announced will be published in the Federal Gazette immediately after receipt of the request unless they have already been announced with the convening notice.

They will also be published on the Company's website at

<https://www.kps.com/de/de/company/investor-relations/general-meetings/2023.html>

and communicated to the shareholders.

The regulations of the Stock Corporation Act underlying these shareholder rights are as follows:

§ Section 122 AktG - Convening at the request of a minority

- (1) *¹The general meeting shall be convened if shareholders whose shares together amount to one-twentieth of the share capital request such meeting in writing, stating the purpose and the reasons; the request shall be addressed to the executive board. ²The articles of association may make the right to demand the convocation of the general meeting subject to another form and to the holding of a smaller proportion of the share capital. ³The applicants shall prove that they have been holders of the shares for at least 90 days prior to the date of receipt of the request and that they hold the shares until the decision of the executive board on the request. ⁴§ Section 121 (7) shall apply accordingly.*

- (2) ¹In the same manner, shareholders whose shares together amount to one-twentieth of the share capital or the proportionate amount of 500,000 euros may demand that items be placed on the agenda and published. ²Each new item must be accompanied by a statement of reasons or a draft resolution. ³The request within the meaning of sentence 1 must be received by the company at least 24 days, in the case of listed companies at least 30 days, before the meeting; the day of receipt shall not be counted.
- (3) ¹If the demand is not complied with, the court may authorise the shareholders who made the demand to convene the general meeting or to publish the matter. ²At the same time, the court may appoint the chairman of the meeting. ³Reference must be made to the authorisation when the meeting is convened or announced. ⁴An appeal against the decision is admissible. ⁵The applicants must prove that they hold the shares until the court's decision.
- (4) ¹The company shall bear the costs of the general meeting and, in the case of paragraph 3, also the court costs if the court has granted the application.

§ Section 121 (7) AktG

¹In the case of deadlines and dates calculated back from the meeting, the day of the meeting shall not be counted. ²A transfer from a Sunday, a Saturday or a public holiday to a preceding or following working day shall not be considered. ³Sections 187 to 193 of the Civil Code shall not apply *mutatis mutandis*. ⁴In the case of non-listed companies, the articles of association may provide for a different calculation of the period.

§ Section 70 AktG - Calculation of the shareholding period

¹If the exercise of rights arising from the share is dependent on the shareholder having been the holder of the share for a certain period of time, a claim for transfer of ownership against a credit institution, a financial services institution, a securities institution or an enterprise operating pursuant to § 53 paragraph 1 sentence 1 or § 53b paragraph 1 sentence 1 or paragraph 7 of the German Banking Act shall be deemed equivalent to ownership. ²The period of ownership of a predecessor in title shall be attributed to the shareholder if he acquired the share free of charge, from his trustee, as universal successor, in the event of the dissolution of a community or in the event of a portfolio transfer pursuant to section 13 of the Insurance Supervision Act or section 14 of the Building Societies Act.

b) Countermotions and election proposals pursuant to §§ 126 para. 1, 127 AktG

In addition, shareholders may submit to the Company counter-motions against proposals of the Executive Board and/or Supervisory Board on specific items of the agenda as well as election proposals. Countermotions must be accompanied by a statement of grounds. Countermotions, election proposals and other requests from shareholders for the Annual General Meeting must be sent exclusively to the following address or e-mail address:

KPS AG
Investor Relations
Beta-Straße 10 H
85774 Unterföhring
E-mail: ir@kps.com

Countermotions and election proposals from shareholders to be made accessible, including the name of the shareholder as well as the reasons to be made accessible, will be published on the website of the Company at

<https://www.kps.com/de/de/company/investor-relations/general-meetings/2023.html>

after their receipt. Countermotions and election proposals relating to the items on this agenda received at the aforementioned address or e-mail address by the end of the day on 25 April 2023 24:00 (CEST) will be taken into account. Any comments by the administration will also be published at the aforementioned internet address. If the reasons stated in section 126 (2) and (3) of the AktG exist, counter-motions and statements of grounds need not be made available or may be summarised.

This also applies accordingly to election proposals by shareholders pursuant to § 127 AktG, whereby election proposals do not have to be substantiated. In this case, the Executive Board need not make the election proposal accessible even if, among other things, the proposal does not contain the name, practised profession and place of residence of the candidate. Proposals for the election of supervisory board members also do not have to be made accessible if they are not accompanied by information on the membership of the proposed supervisory board candidates in other statutory supervisory boards within the meaning of section 125 (1) sentence 5 AktG.

The relevant legal provisions are as follows:

§ Section 126 AktG - Motions by shareholders

- (1) ¹Motions of shareholders, including the name of the shareholder, the statement of grounds and any statement of the administration, shall be made available to the entitled persons referred to in § 125 paras. 1 to 3 under the conditions stated therein, if the shareholder has sent a counter-motion against a proposal of the executive board and the supervisory board on a specific item of the agenda, together with the statement of grounds, to the address communicated for this purpose in the notice convening the meeting at least 14 days before the meeting of the company. ²The day of receipt shall not be counted. ³In the case of listed companies, such access shall be made available on the company's website. ⁴§ 125 par. 3 shall apply *mutatis mutandis*.
- (2) ¹A counter-motion and its justification need not be made accessible,
1. *insofar as the Executive Board would render itself liable to prosecution by making it accessible,*
 2. *if the counter-motion would lead to a resolution of the general meeting that would be contrary to the law or the articles of association,*
 3. *if the statement of reasons contains statements that are manifestly false or misleading in material respects or if it contains insults,*
 4. *if a counter-motion of the shareholder based on the same facts has already been made available to a general meeting of the company pursuant to section 125,*
 5. *if the same counter-motion of the shareholder with substantially the same grounds has already been made available to at least two general*

meetings of the company pursuant to section 125 within the last five years and less than one-twentieth of the share capital represented voted in favour of it at the general meeting,

6. *if the shareholder indicates that he will not attend the general meeting and will not be represented, or*
7. *if the shareholder has not made or caused to be made a counter-motion communicated by him at two general meetings in the last two years.*

²*The statement of reasons need not be made accessible if it exceeds 5,000 characters in total.*

- (3) ¹*If several shareholders make counter-motions on the same subject matter of the resolution, the Executive Board may combine the counter-motions and their reasons.*

§ Section 127 sentences 1 to 3 AktG - Election proposals by shareholders

¹ *For the proposal of a shareholder for the election of supervisory board members or auditors, § 126 shall apply mutatis mutandis. ²The nomination need not be substantiated. ³The Executive Board need not make the election proposal available even if the proposal does not contain the information pursuant to § 124 paragraph 3 sentence 4 and § 125 paragraph 1 sentence 5.*

§ Section 124 (3) sentence 4 AktG

The proposal for the election of supervisory board members or auditors shall state their names, occupation and place of residence.

§ Section 125 (1) sentence 5 AktG

In the case of listed companies, a proposal for the election of supervisory board members shall be accompanied by information on their membership in other statutory supervisory boards; information on their membership in comparable domestic and foreign supervisory bodies of business enterprises shall be enclosed.

c) Right to information pursuant to section 131 (1) AktG

At the general meeting, each shareholder shall be provided by the executive board with information on the affairs of the company, the legal or business relations of the company with affiliated companies, and the situation of the group and the companies included in the consolidated financial statements, to the extent that such information is necessary for the proper evaluation of an item on the agenda. Requests for information shall in principle be made orally during the discussion at the general meeting. The executive board may refuse to provide information for the reasons stated in § 131 section 3 AktG.

The relevant legal and statutory provisions are as follows:

§ Section 131 (1), (2) to (5) AktG - Shareholder's right to information

- (1) ¹Each shareholder shall, upon request, be provided with information at the general meeting by the executive board regarding the affairs of the company to the extent that such information is necessary to permit a proper evaluation of the item on the agenda. ²The duty to provide information shall also extend to the legal and business relations of the company with an affiliated company. ³If a company makes use of the facilitations pursuant to section 266, paragraph 1, sentence 3, section 276 or section 288 of the German Commercial Code, each shareholder may demand that the annual financial statements be presented to him at the general meeting on the annual financial statements in the form they would have been presented without these facilitations. ⁴The duty of the Executive Board of a parent company (section 290 (1), (2) of the Commercial Code) to provide information at the general meeting to which the consolidated financial statements and the group management report are submitted also extends to the situation of the group and the companies included in the consolidated financial statements.
- (2) ¹The information must comply with the principles of conscientious and faithful accountability. ²The articles of association or the rules of procedure pursuant to § 129 may authorise the chairman of the meeting to impose reasonable time limits on the shareholder's right to ask questions and to speak, and to determine further details in this respect.
- (3) ¹The executive board may refuse to provide information,
1. insofar as the provision of the information is likely, according to reasonable commercial judgement, to cause a not inconsiderable disadvantage to the company or an affiliated company;
 2. insofar as it relates to tax valuations or the amount of individual taxes;
 3. on the difference between the value at which items have been recognised in the annual balance sheet and a higher value of such items, unless the annual general meeting adopts the annual financial statements;
 4. on the accounting and valuation methods, insofar as the disclosure of these methods in the notes is sufficient to provide a true and fair view of the net assets, financial position and results of operations of the Company within the meaning of section 264 (2) of the German Commercial Code; this shall not apply if the annual general meeting adopts the annual financial statements;
 5. insofar as the Executive Board would render itself liable to prosecution by providing the information;
 6. to the extent that, in the case of a credit institution, a financial services institution or a securities institution, information need not be provided on the accounting and valuation methods applied and offsets made in the annual financial statements, management report, consolidated financial statements or group management report;

7. *to the extent that the information is continuously available on the Company's website for at least seven days prior to the commencement of and during the general meeting.*

² *Information may not be refused for other reasons.*

- (4) ¹*If a shareholder has been provided with information outside the general meeting due to his capacity as a shareholder, such information shall be provided to any other shareholder upon request at the general meeting, even if it is not necessary for the proper assessment of the item on the agenda. ²In the case of a virtual general meeting, it shall be ensured that every shareholder who is electronically connected to the meeting can submit his request pursuant to sentence 1 by means of electronic communication. ³ The executive board may not refuse to provide information pursuant to paragraph 3 sentence 1 nos. 1 to 4. ⁴Sentences 1 to 3 shall not apply if a subsidiary (section 290, paragraph 1, 2 of the Commercial Code), a joint venture (section 310, paragraph 1 of the Commercial Code) or an associated company (section 311, paragraph 1 of the Commercial Code) provides the information to a parent company (section 290, paragraph 1, 2 of the Commercial Code) for the purpose of including the company in the consolidated financial statements of the parent company and the information is required for this purpose.*
- (5) ¹*If a shareholder is refused information, he may request that his question and the reason for which the information was refused be recorded in the minutes of the meeting. ²In the case of a virtual general meeting, it shall be ensured that every shareholder who is electronically connected to the meeting can submit his request pursuant to sentence 1 by means of electronic communication.*

§ Section 17 No. 4 of the Articles of Association of KPS AG

¹*The chairman of the meeting is authorised to impose reasonable time limits on the shareholders' right to speak and ask questions. ²In particular, he shall be entitled, already at the beginning or during the course of the meeting, to reasonably determine the time frame for the entire course of the general meeting, for the discussion on the individual items of the agenda as well as for the individual question and speech contribution or the individual speaker.*

The Executive Board

Unterföhring, March 2023