

Report pursuant to Section 153 (4) in conjunction with Section 159 (2) (3) of the Austrian Stock Corporation Act (AktG):

Principles and Performance Incentives for Stock Options to Employees, Executives and Members of the Management Board of the Company and its Affiliates

The Authorized Contingent Capital 2025 is intended to give the Company as much flexibility as possible in the implementation of the planned employee participation program.

The stock options are based on the principle that employees, executives and members of the Management Board of the Company and its affiliated companies (key workers) make a significant contribution to the increase in the value of the company and can therefore participate in this increase in value through an option program.

For key workers, the granting of stock options forms an incentive system that contributes to the increase in the value of the company. Such participation programs are common and widespread among listed companies. For this purpose, it is necessary to be able to offer employees and management the opportunity to purchase shares in FACC AG, as this is expected by employees and management today. It would be a disadvantage in terms of recruiting new employees and managers, as well as long-term retention, if no participation program were possible.

Likewise, such an employee participation program also serves to increase the motivation of existing key employees, to increase the retention period of these employees and to promote sales and profit growth by each individual employee. In the opinion of the Supervisory Board and the Management Board, a future participation program is therefore also a necessary means of employee retention and contributes to increasing the attractiveness of FACC AG and its affiliated companies as employers. In the absence of stock options, the Company and its group companies may be forced to pay higher variable salary components to senior executives and management, which would lead to cost increases for the companies. After all, investors in shares of a publicly traded company also expect key employees and management to participate in the success of the company.

For these reasons, the Management Board is to be authorized, with the consent of the Supervisory Board, to resolve a conditional capital increase up to a total nominal value of EUR 3,000,000 (Euro three million) in one or more tranches for the granting of stock options to employees, executives and members of the Management Board of the Company or affiliated companies up to five years after the registration of this amendment to the Articles of Association.

Due to its volume of only approx. **6.55%** of the share capital, the resulting dilution would still be manageable for existing shareholders of the company and appropriate with regard to the participation of key employees in the performance of the company.

The key points of the employee participation program have not yet been determined. However, corresponding stock resolutions are generally customary nationally and internationally. The Management Board will inform the next Annual General Meeting about the utilization of the Authorized Contingent Capital 2025.

The Management Board must publish a new report in accordance with Section 159 (3) in conjunction with Section 2 (3) of the Austrian Stock Corporation Act (AktG) no later than two weeks before the Supervisory Board's approval. If shares are also granted to members of the Management Board, the Management Board prepares the report together with the Supervisory Board.

- Convenience Translation -

In summary, it can be assumed that the benefit of the Company from the exploitation of the proposed authorization to issue new shares for the purpose of servicing stock options to employees, officers and members of the Management Board of the Company or an affiliated company will benefit all shareholders.

Ried im Innkreis, April 2025

The Supervisory Board and the Management Board of FACC AG