



Prospectus

for the public offering in Germany

of

60,000 subordinated mandatory convertible bonds in bearer form ranking *pari passu* among themselves with an aggregate principal amount of EUR 60,000,000.00, a denomination of EUR 1,000.00 each and a nominal interest rate of 0.5% p.a., maturing on 30 September 2022,

initially convertible into up to 2,068,965 ordinary registered shares with no-par value (*auf den Namen lautende Stückaktien*), each with a notional interest in the share capital of EUR 1.22,

of

Schaltbau Holding AG

Munich, Germany

EUR 60 million 0.5% Subordinated Mandatory Convertible Bonds 2021/2022

International Securities Identification Number (ISIN): DE000A3E5FV1

German Securities Identification Number (WKN): A3E5FV

Existing Shares

International Securities Identification Number (ISIN): DE000A2NBTL2

Trading Symbol: SLT

The date of this prospectus is 30 March 2021

This is a simplified prospectus in accordance with Article 14 of Regulation (EU) 2017/1129.

Warning regarding the validity of the prospectus

The validity of this prospectus will expire at the end of the subscription period of the subscription offer (i.e. 16 April 2021, 12:00 hours (CEST)). The obligation to supplement the prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.

TABLE OF CONTENTS

I.	SUMMARY OF THE PROSPECTUS	1
II.	ZUSAMMENFASSUNG DES PROSPEKTS	8
III.	RISK FACTORS	15
1.	Risk factors relating to the Company and the Group	15
2.	Risk factors relating to the Bonds.....	32
IV.	GENERAL INFORMATION	36
1.	Subject matter of this Prospectus and responsibility.....	36
2.	Warning regarding the validity of the Prospectus.....	36
3.	Statement relating to the approval of the Prospectus	36
4.	Forward-looking statements	36
5.	Presentation of financial information and figures; Currency presentation.....	37
6.	Documents incorporated by reference	38
7.	Documents available for inspection.....	39
V.	DESCRIPTION OF THE BONDS	40
1.	Type and class, currency, governing law, form and representation.....	40
2.	Status.....	40
3.	Transferability of the Bonds.....	40
4.	Rights attached to the Bonds	40
5.	Corporate resolutions on the subscription offer of the Bonds	42
6.	Expected issue date	42
7.	Delivery and admission of the Shares to be delivered upon conversion of Bonds	42
VI.	TERMS AND CONDITIONS OF THE BONDS.....	44
VII.	THE SUBSCRIPTION OFFER	104
1.	Subject matter of the Subscription Offer	104
2.	Publication of the Subscription Offer	104
3.	Key conditions of the Subscription Offer	108
4.	Pre-placement of Bonds	109
5.	Announcement of the results of the Subscription Offer.....	109
6.	Representation and delivery of the Bonds	109
7.	Settlement Agent, Paying Agent, Calculation Agent and Depository Agent	109
8.	Listing of the Bonds	109
9.	Interests of parties participating in the Subscription Offer.....	109

10.	Expected timetable	110
11.	Taxation	110
VIII.	REASONS FOR THE OFFERING AND USE OF PROCEEDS	111
1.	Proceeds from the issuance of the Bonds and costs of the Subscription Offer	111
2.	Reasons for the offering and use of proceeds	111
IX.	DILUTION	112
X.	DESCRIPTION OF THE SHARES OF THE COMPANY	113
1.	Form and representation	113
2.	Rights attached to the Shares	113
3.	Mandatory takeover bids, exclusion of minority shareholders, and squeeze-out	114
XI.	EARNINGS AND DIVIDEND PER SHARE; DIVIDEND POLICY	116
1.	General rules on the allocation of profits and dividend payments	116
2.	Dividend policy	117
XII.	PROFIT FORECAST	118
1.	Profit forecast for the financial year 2021 and EBIT margin target for 2026	118
2.	Notes on the profit forecast	118
3.	Factors and assumptions influencing the forecast for the financial year 2021	118
4.	Factors and assumptions influencing the EBIT margin target for 2026	120
5.	Other notes	122
XIII.	CAPITALISATION AND INDEBTEDNESS; STATEMENT ON WORKING CAPITAL	123
1.	Capitalisation	123
2.	Net financial indebtedness	124
3.	Indirect and contingent indebtedness	124
4.	Statement on working capital	124
5.	No significant change in the financial position of the Group	124
XIV.	BUSINESS	125
1.	Business overview	125
2.	Material investments	127
3.	Material contracts	127
4.	Overview of group financing	129
5.	Legal or arbitration proceedings	129
6.	Trend information	129
XV.	GENERAL INFORMATION ABOUT THE COMPANY	131

1.	Formation, incorporation, commercial name, registered office, LEI.....	131
2.	Overview of regulatory disclosure	131
XVI.	SHARE CAPITAL AND SHAREHOLDER INFORMATION	133
1.	Share capital.....	133
2.	Major shareholders	133
XVII.	GOVERNING BODIES	135
1.	Overview	135
2.	Members of the Executive Board	137
3.	Members of the Supervisory Board	139
4.	Certain information regarding the members of the Executive Board and Supervisory Board	140
XVIII.	RELATED PARTY TRANSACTIONS	141
XIX.	RECENT DEVELOPMENTS AND OUTLOOK	142
1.	Recent developments	142
2.	Outlook	142

I. SUMMARY OF THE PROSPECTUS

A. Introduction and warnings

This prospectus (the “**Prospectus**”) relates to the public subscription offer (the “**Subscription Offer**”) in the Federal Republic of Germany (“**Germany**”) of 60,000 subordinated mandatory convertible bonds in bearer form ranking *pari passu* among themselves with an aggregate principal amount of EUR 60,000,000.00, a denomination of EUR 1,000.00 each and a nominal interest rate of 0.5% p.a., maturing on 30 September 2022 (the “**Bonds**”), to be issued by Schaltbau Holding AG, Munich, Germany (the “**Company**” or the “**Issuer**” and collectively with its subsidiaries “**we**”, “**Schaltbau**”, the “**Group**” or the “**Schaltbau Group**”). The Bonds are initially convertible into up to 2,068,965 ordinary registered shares with no-par value (*auf den Namen lautende Stückaktien*) of the Company, each with a notional interest in the share capital of EUR 1.22 (the “**Shares**”). The International Securities Identification Number (“**ISIN**”) of the Bonds is DE000A3E5FV1.

The Subscription Offer will be made by the Company exclusively to the holders of the Company's Shares (ISIN DE000A2NBT2L).

The Company can be contacted at its business address Hollerithstraße 5, 81829 Munich, Germany, by telephone +49 89 93005-0, or via its website <https://schaltbaugroup.com>. The Company's Legal Entity Identifier (LEI) is 52990099LIMD4VYT3175.

The Prospectus is dated 30 March 2021 and has been approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, “**BaFin**”) on 30 March 2021. BaFin can be contacted at Marie-Curie-Straße 24-28, 60439 Frankfurt am Main, Germany, by telephone +49 228 4108-0, or via its website www.bafin.de.

The summary should be read as an introduction to the Prospectus.

Any decision to invest in the Bonds should be based on a consideration of the Prospectus as a whole by the investor.

Investors could lose all or part of the invested capital.

Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.

Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

You are about to purchase a product that is not simple and may be difficult to understand.

B. Key information on the Issuer

a. Who is the issuer of the securities?

aa. Registered seat, legal form, LEI, governing law and country of incorporation

The Company's registered seat is in Munich, Germany, and its business address is Hollerithstraße 5, 81829 Munich, Germany. It is registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich under number HRB 98668. The Company is a stock corporation (*Aktiengesellschaft*) incorporated in Germany and governed by German law. The Company's Legal Entity Identifier (LEI) is 52990099LIMD4VYT3175.

bb. Principal activities

With its products, systems and solutions, the Schaltbau Group is primarily a supplier to the railway industry – both in the field of infrastructure and vehicles (rolling stock). In addition, Schaltbau develops and supplies electromechanical components and solutions for battery-powered direct current (“**DC**”) applications in the automotive and capital goods industries.

Under the four core brands Pintsch, Bode, Schaltbau and SBRS, the Group offers a broad portfolio of technologies and customer-specific solutions for rolling stock, rail infrastructure, road vehicles and of other industrial applications. Schaltbau is increasingly active in new, fast-growing markets outside the rail sector where DC applications are used for the generation, transmission and storage of electrical energy. These include DC-based industrial applications in particular in the capital goods industry (New Industry), the fields of regenerative energy generation and decentralised energy storage applications (New Energy) as well as e-mobility and e-charging infrastructure (New Mobility).

The Schaltbau Group comprises Schaltbau Holding AG and its subsidiaries with in total about 2,900 employees, sales and manufacturing facilities in 14 countries and more than 60 sales partners worldwide, with Germany and other EU countries as well as China and the USA being among the most relevant sales markets for the Group.

The operative business is mainly conducted by the subsidiaries, whereas Schaltbau Holding AG, as ultimate parent company of the Group, is responsible for the Group's strategic orientation and control as well as further centralised functions for the entire Group, including governance functions.

The structure of most product lines of Schaltbau is characterised by a high level of vertical integration, ranging from research and development to production and distribution. In the project business, in contrast, Schaltbau mainly relies on supplied components and construction services.

The Group's operative business comprises four areas: (i) rail infrastructure technology, (ii) door systems, boarding systems for trains, buses and commercial vehicles and interior fittings for rolling stock, (iii) electromechanical components and solutions for railway technology and industrial applications, and (iv) modernisation and refurbishment of rolling stock as well as charging infrastructure for electric vehicles.

In the rail infrastructure technology area, the Group is active through Pintsch GmbH, Dinslaken, Germany, and its subsidiaries ("**Pintsch Group**"). Pintsch Group supplies Deutsche Bahn as well as several German and foreign rail infrastructure operators, including private and company railway systems, with electrical equipment for rail infrastructure and stationary transportation technology. Pintsch Group's product range is focussed on the provision of systems, components and services for rail traffic, from the planning, development and production, through installation, testing and commissioning to repairs, maintenance, spare parts supply, training and digital services. In some cases, Schaltbau also assumes overall responsibility for the renewal of entire sections of track. Pintsch Group's most important product fields include computer-controlled railway crossing safety technologies, interlocking and axle counting systems, tunnel security lighting, point heating systems as well as shunting and signal technology.

In the area of door systems, boarding systems and interior fittings, the Group operates through Gebr. Bode GmbH & Co. KG, Kassel, Germany, and its subsidiaries (the "**Bode Group**"). The Bode Group is a supplier of modular door and boarding systems for trains, buses and commercial vehicles as well as of interior fittings for rolling stock. Its range of services includes development, production, installation and commissioning at the vehicle manufacturer. The Bode Group supports the operators of such vehicles throughout the entire service life of the vehicles with readily available spare parts packages, maintenance personnel and a digitally supported after-sales service. The product group "Rail Vehicle Systems" comprises complete systems with security technology and boarding systems for trams, underground and suburban trains as well as regional and high-speed long-distance trains. In addition, the Bode Group supplies door systems for city buses, coaches and commercial vehicles and is integrated into many platforms of the major manufacturers. The product group "Road Vehicle Systems" includes sliding doors with guide systems for box bodies, such as those used in commercial vehicles from the courier, express and parcel services sector.

In the area of electromechanical components and solutions for railway technology and industrial applications, the Group operates through Schaltbau GmbH, Munich, Germany, and its subsidiaries (the "**Schaltbau GmbH Group**"). The core business of the Schaltbau GmbH Group consists of the development, manufacturing and sale of contactors, plugs, connectors, snap-action switches and other switching systems as well as a range of other electromechanical components such as master controllers and driver's desk and cab equipment for a broad spectrum of applications in the sectors railway, automotive, New Energy and New Mobility as well as other industries.

Schaltbau GmbH is currently in the process of constructing a new production site in Velden, Germany (so-called "NExT Factory"). With this new plant Schaltbau is aiming at creating a modern facility with a locally CO₂-free energy concept for developing and manufacturing electromechanical components such as contactors, connectors and switches for a wide range of DC applications in the industry, the rail sector and the markets of New Energy and New Mobility, enabling Schaltbau to enter into and further grow in new market segments and realise efficiency increases. The new plant is a key element for Schaltbau Group's targeted further growth in the markets of New Energy, New Industry and New Mobility, which strongly rely on the use of DC applications. The completion of the new plant with the first stage of production capacity is currently scheduled for autumn 2022.

In the area of modernisation and refurbishment of rolling stock as well as charging infrastructure for electric vehicles, the Group operates through SBRS GmbH. SBRS GmbH is active in the customised project business for modernising, refurbishing, enhancing, maintaining and repairing rolling stock. SBRS GmbH focuses on the full and partial modernisation and refurbishment of trains, including ancillary services such as customer trainings and advice, air-conditioning service or general inspection, thereby leveraging the Group's broad range of products and solutions which SBRS GmbH deploys to develop, design and implement customer-specific refurbishing and retrofitting solutions. SBRS GmbH further provides customised high-performance fast-charging infrastructure systems for electric vehicles such as e-buses based on DC for urban use.

In accordance with the four areas of business in which Pintsch Group, Bode Group, Schaltbau GmbH Group and SBRS GmbH are operating, the Group's segment reporting is divided into Pintsch segment, Bode segment, Schaltbau segment and SBRS segment.

cc. Major shareholders

The following table shows the major direct and indirect shareholders who, to the knowledge of the Company, hold an interest of 3% or more of the voting rights in the Company as of the date of the Prospectus (the information set out below is based on the latest voting rights notifications submitted by the respective shareholders pursuant to Sections 33, 34 (formerly Sections 21, 22) of the German Securities Trading Act (*Wertpapierhandelsgesetz*,

“WpHG”) on the basis of the total number of voting rights pursuant to Section 41 (formerly Section 26a) WpHG applicable as at the time of the voting rights notification).

<i>Direct shareholder(s)</i>	<i>Indirect shareholder(s)</i>	<i>Number of Shares</i>	<i>Voting rights interest in %</i>
Luxempart S.A.	Luxunion S.A. Foyer Finance S.A. Luxempart S.A.	1,920,315 ¹	21.69 ¹
Hans-Jakob Zimmermann	Hans-Jakob Zimmermann	1,920,315 ¹	21.69 ¹
Johannes Zimmermann	Johannes Zimmermann	1,920,315 ¹	21.69 ¹
Elrena GmbH	Elrena GmbH	1,920,315 ¹	21.69 ¹
Axxion S.A. / Frankfurter Aktienfonds für Stiftungen	Axxion S.A.	593,403	8.98 ²
Active Ownership Fund SICAV-FIS SCS	Florian Schuhbauer Active Ownership Advisors GmbH Active Ownership Capital S.à r.l. Active Ownership Corporation S.à r.l.	644,133	7.28
Active Ownership Fund SICAV-FIS SCS	Klaus Röhrig Tamino Investments Ltd. Tamino Import & Advisory LP Active Ownership Investments Ltd. Active Ownership Capital S.à r.l. Active Ownership Corporation S.à r.l.	644,133	7.28
Midlin NV	Teslin Capital Management BV	458,977	5.18
Universal-Investment-Luxembourg S. A.	Universal-Investment-GmbH	339,719	5.14 ²
Gerlin NV		443,610	5.01
Kreissparkasse Biberach	Landkreis Biberach	433,757	4.90
PSG-Universal-Fonds	BayernInvest Kapitalverwaltungs- gesellschaft mbH	382,986	4.33
Monolith N.V.	Stichting Administratiekantoor Monolith	324,257	3.66
Hermes Linder Fund SICAV PLC	Massimo Malvestio Finpartes Ltd Veniero Investments Ltd Praude Asset Management Ltd	186,753	3.04 ³

¹ The shareholders Luxempart S.A., Elrena GmbH, Hans-Jakob Zimmermann and Johannes Zimmermann (together the “**Acting in Concert Parties**” and each an “**Acting in Concert Party**”) are parties to an agreement to act in concert and, in particular, to jointly exercise voting rights from their Shares in the Company (the “**Acting in Concert Agreement**”). As a result of the Acting in Concert Agreement, pursuant to Section 34 (2) WpHG, the total of voting rights held by the Acting in Concert Parties are attributed to each Acting in Concert Party as well as, in case of Luxempart S.A., its controlling entities. On 20 October 2020, (i) Elrena GmbH notified to directly hold 272,475 Shares, which corresponds to 3.08% of the Company's share capital, (ii) Hans-Jakob Zimmermann notified to directly hold 409,597 Shares, which corresponds to 4.63% of the Company's share capital, and (iii) Johannes Zimmermann notified to directly hold 52,246 Shares, which corresponds to 0.59% of the Company's share capital.

² This percentage refers to the total number of 6,609,770 Shares issued on the date of the respective voting rights notification.

³ This percentage refers to the total number of 6,152,190 Shares issued on the date of the voting rights notification.

All Shares confer the same voting rights. No shareholder, directly or indirectly through subsidiaries or third parties, owns more than 30% of the voting rights in the Company and is, therefore, considered to hold a controlling interest in the Company pursuant to the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz – WpÜG*).

dd. Members of the executive board

The Company is managed by its executive board (*Vorstand*), currently comprising Dr. Jürgen Brandes (chairman and chief executive officer (CEO)), Steffen Munz (chief financial officer (CFO)) and Volker Kregelin.

ee. Statutory auditors

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Munich, Germany, has audited the Company's consolidated financial statements for the financial year 2020.

b. What is the key financial information regarding the issuer?

Unless otherwise indicated, the financial information contained in the Prospectus is taken or derived from the Company's English language audited consolidated financial statements prepared in accordance with IFRS for the financial year 2020. Unless otherwise indicated, the term “financial year” refers to a financial year of the Company,

i.e. a financial year beginning on 1 January in a given calendar year and ending on 31 December of the same calendar year.

aa. Key financial information from the consolidated income statement

	Financial year 2020	Financial year 2019
	(audited)	(audited)
Revenue (TEUR)	502,343	513,708
Profit/loss before financial results and taxes (EBIT) ^{1 3} (TEUR).....	21,722	17,184
EBIT margin ^{2 3} (%).....	4.3	3.3
Group net profit/loss for the year (TEUR).....	5,663	7,358
Earnings per Share (EUR).....	0.44	0.46

¹ We define "Profit/loss before financial results and taxes (EBIT)" as earnings before interest and taxes.

² We define "EBIT margin" as "Profit/loss before financial results and taxes (EBIT)" divided by "Revenue".

³ Alternative performance measure (APM) which is not defined by, and not recognised under, IFRS and which is used by the Company's management as financial measure to monitor the performance of the Schaltbau Group.

bb. Key financial information from the consolidated statement of financial position

	As of 31 December 2020	As of 31 December 2019
	TEUR (audited)	TEUR (audited)
Total assets	411,836	401,174
Total equity	90,735	97,407

cc. Key financial information from the consolidated statement of cash flows

	Financial year 2020	Financial year 2019
	TEUR (audited)	TEUR (audited)
Cash flows from operating activities	32,239	62,912
Cash flows from investing activities.....	-18,519	-20,626
Cash flows from financing activities.....	-337	-38,754

c. What are the key risks that are specific to the issuer?

- As a globally active group, the Schaltbau Group is directly, as well as indirectly through its customers and suppliers, exposed to substantial market risks associated with a deterioration of the global economy and the implications and uncertainties resulting from the COVID-19 pandemic.
- The number of potential customers for the products of the Schaltbau Group is limited and a large part of the revenue is concentrated among few customers, in particular in the rail and automotive industries. For this reason, the business of the Schaltbau Group is characterised by high pricing pressure, which is further intensified by increasing deregulation and liberalisation at the level of rail operators and consolidation in the industries of the customers of the Schaltbau Group.
- The business activities of the Schaltbau Group are impacted by fluctuations in demand as well as other developments in the rail, automotive and capital goods industries. The Schaltbau Group is, in particular, dependent on the development of public and private investments in the railway sector, by means of which it generates a large part of its revenue.
- The Schaltbau Group faces intense and increasing competition. Competitors with greater financial, technical or organisational resources could gain market shares and might be able to offer similar products at cheaper prices, which could further intensify the already strong price competition.
- The growth of the Schaltbau Group in markets where direct current is used for the generation, transmission and storage of electrical energy as well as in the area of modernisation and refurbishment of rolling stock could be smaller and/or slower than envisaged. The construction of the new production site in Velden, Germany, could be more expensive and/or take longer than anticipated.
- In connection with the planning and implementation of projects, in particular in the case of major projects in the railway sector, the Schaltbau Group is exposed to both calculation and implementation risks.
- The Schaltbau Group is dependent on the constant improvement and enhancement of existing products and the ability to develop new ones, in particular in connection with digitisation, as well as successfully adapting to the circumstances in foreign markets.

- The Schaltbau Group is subject to procurement risks. For the manufacturing and assembly of its products, the Schaltbau Group is dependent on the availability of certain materials, such as metals and plastics, complete parts and components as well as pre-assembled units.
- Products of the Schaltbau Group might have defects or might not comply with applicable regulatory standards or meet specific customer requirements, which could result in liability of the Group.
- Failure to comply with the terms of the Schaltbau Group's existing financing arrangements might result in an obligation to early repay debt, and the Group's leverage and debt service obligations could limit the funds it has available for growing its business, dividend payments and other measures.
- The Schaltbau Group's ability to raise capital in the future in order to finance its business and further growth or to refinance indebtedness could be limited.
- The Schaltbau Group is, in the ordinary course of operations, from time to time involved in legal disputes and proceedings, which could result in substantial payment obligations and loss of reputation.
- The intellectual property of the Schaltbau Group and its know-how are protected and protectable to a limited extent only.

C. Key information on the securities

a. What are the main features of the securities?

The rights and obligations arising from the Bonds are governed by the terms and conditions of the Bonds (the **"Terms and Conditions"**).

The Bonds are subordinated mandatory convertible bonds with an aggregate principal amount of EUR 60,000,00.00 and a denomination of EUR 1,000.00 each, maturing on 30 September 2022 (the **"Maturity Date"**).

The Bonds will bear interest from and including the issue date at a fixed rate of 0.5% of their principal amount per annum. Interest will be payable annually in arrear on 30 September of each year, with the first payment to be made on 30 September 2021 (short first coupon). In accordance with § 4(b) of the Terms and Conditions, interest will cease to accrue on the Bonds (i) in the event of mandatory conversion at maturity pursuant to § 5(a) of the Terms of Conditions, as of the end of the day immediately preceding the Maturity Date, (ii) in the event of a voluntary conversion by a Bondholder pursuant to § 8(b) of the Terms of Conditions (save for a voluntary conversion in the event of a change of control), as of the end of the day immediately preceding the last interest payment date prior to the relevant conversion date, (iii) in the event of a voluntary conversion by a Bondholder in the event of a change of control of the Issuer, as of the end of the day immediately preceding the change of control record date as notified by the Issuer, and (iv) in the event of an early mandatory conversion by the Issuer pursuant to § 5(b) of the Terms of Conditions, as of the end of the day immediately preceding the Optional Mandatory Conversion Date (for clarification, the Issuer will additionally have to pay the Make-whole Interest Amount in this event).

The obligations of the Issuer under the Bonds constitute unsecured and subordinated obligations of the Issuer, ranking pari passu among themselves and in the event of the liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of the Issuer ranking junior to all present and future unsubordinated and subordinated obligations of the Issuer (save for present and future subordinated obligations which rank and shall rank pari passu with the obligations of the Issuer under the Bonds), except as otherwise required by mandatory statutory law. Hence, in any such event no amounts would be payable in respect of the Bonds until the claims of all unsubordinated and subordinated creditors of the Issuer which rank senior to the claims under the Bonds have first been satisfied in full.

To the extent the Bonds have not previously been converted, the Bonds will be mandatorily converted into shares of the Issuer at the Maturity Date at the Conversion Ratio.

Each holder of the Bonds has the right to voluntarily convert each Bond already prior to the Maturity Date in whole, but not in part, at the Conversion Price into Shares of the Issuer on any business day during the Conversion Period.

As defined more specifically under § 1(c) of the Terms and Conditions, **"Conversion Period"** means the following periods:

- the period from and including the tenth business day prior to a Quarterly Conversion Date until and including the business day prior to such Quarterly Conversion Date;
- in case of an Extraordinary Conversion, the period from and including the issue date to and including the tenth business day prior to the Maturity Date (or, if the tenth business day prior to the Maturity Date falls within an Excluded Period (as defined in the Terms and Conditions), the last business day prior to the beginning of this Excluded Period);
- certain specific periods applying in the event of a change of control of the Issuer or a take-over bid or conditional take-over bid for the shares of the Issuer.

"Quarterly Conversion Date" means 12 May 2021, 12 August 2021, 12 November 2021, 12 February 2022, 12 May 2022 and 12 August 2022.

Bondholders are entitled to an **"Extraordinary Conversion"** where the aggregate principal amount of Bonds, in respect of which the Conversion Right shall be exercised by the relevant Bondholder, is equal to or greater than EUR 100,000.00.

If, due to any change in, or amendment to, the laws or regulations of the Federal Republic of Germany or the European Union or applicable financial reporting and accounting standards, or any change in, or amendment to, an official interpretation or application of such laws, regulations or standards, which amendment or change becomes effective on or after the issue date, the Bonds are no longer (to be) treated as equity pursuant to IFRS, the Issuer may, subject to a period of at least 30 days' and not more than 60 days' prior notice to the Bondholders, procure the mandatory conversion of all, but not some only, of the outstanding Bonds for Shares at any time prior to the Maturity Date on the date of conversion fixed by the Issuer in the notice (the **"Optional Mandatory Conversion Date"**) at the relevant Conversion Ratio. In this case, the Issuer will pay any amounts of interest accrued and unpaid to but excluding the Optional Mandatory Conversion Date plus any amounts of interest which would have become due up to the Maturity Date (the **"Make-whole Interest Amount"**).

The conversion price initially amounts to EUR 29.00 per Share (the **"Conversion Price"**) and is subject to adjustments in certain events as set forth in the Terms and Conditions. The conversion ratio corresponds to the principal amount of a Bond of EUR 1,000.00 divided by the Conversion Price (the **"Conversion Ratio"**), i.e. initially 34.4827 Shares per Bond.

b. Where will the securities be traded?

The Company intends to apply for the inclusion of the Bonds into trading on the Open Market (*Freiverkehr*) of the Frankfurt Stock Exchange. Apart from that, the Company does currently not intend to apply for a listing of the Bonds on any other domestic or foreign stock exchange.

c. What are the key risks that are specific to the securities?

- The payment obligations of the Issuer under the Bonds constitute unsecured and subordinated obligations of the Issuer, which in the event of insolvency rank junior to all present and future unsubordinated obligations of the Issuer, i.e. no amounts would be payable to the holders of the Bonds until the claims of all unsubordinated creditors of the Issuer, which rank senior to the obligations under the Bonds, have first been satisfied in full.
- Investors in the Bonds will be subject to risks with the conversion of the Bonds into Shares of the Issuer. The market price of the Bonds will depend primarily on the price of the Shares of the Issuer and Bondholders may receive such Shares at a time when the conversion price is substantially higher than the prevailing share price.

D. Key information on the offer of the securities to the public

a. Under which conditions and timetable can I invest in this security?

The Bonds will be offered for subscription to the Company's shareholders at a ratio of 147.5365:1 (i.e. 147.5365 Shares entitle a shareholder to subscribe for one Bond) at a subscription price corresponding to the principle amount of a Bond of EUR 1,000.00. Each Share technically conveys one subscription right (ISIN DE000A3E5AE8). Thus, 147.5365 subscription rights entitle to subscribe for one Bond. Decisive for the calculation of the number of subscription rights to which the shareholders are entitled are their respective holdings of Shares in the Company after the close of bookings on 31 March 2021. Shareholders cannot subscribe for fractions of Bonds. Only the subscription of one Bond or an integral multiple thereof is possible.

Subscription rights must be exercised during the period from 1 April 2021, 0:00 hours (CEST), to 16 April 2021, 12:00 hours (CEST) (the **"Subscription Period"**). Instructions by investors regarding the exercise of subscription rights have to be addressed to their respective custodian banks. Investors are recommended to follow the instructions by their custodian banks. Subscription rights which have not been exercised during the Subscription Period will lapse and be booked out without value after the expiration of the Subscription Period. There will be no compensation for unexercised subscription rights.

DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Platz der Republik, 60325 Frankfurt am Main, Germany, has been retained by the Company as settlement agent (the **"Settlement Agent"**) for the Subscription Offer.

In an agreement entered into between the Company and several of its shareholders on 1 March 2021, the relevant shareholders committed to acquire in total Bonds in an aggregate principal amount of up to EUR 60,000,000 that are not subscribed for by shareholders in the Subscription Offer.

The Bonds will be represented by a global certificate deposited with Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Germany. Delivery of the Bonds is expected to take place on or around 23 April 2021.

Neither the Company nor the Settlement Agent will charge expenses to investors. Expenses charged to the respective investor by its custodian bank will neither be borne by the Company nor by the Settlement Agent.

The total costs and fees related to the Subscription Offer are expected to amount to approx. EUR 2,600,000.

b. Why is this prospectus being produced?

The Bonds shall be publicly offered for subscription to the Company's shareholders. The Company is expected to realise net proceeds from the issuance of the Bonds in the amount of approx. EUR 57,400,000 (the "**Net Proceeds**").

The Company intends to use the Net Proceeds as follows:

- to finance the construction of the new factory ("NExT Factory") in Velden, Germany (approx. 50% to 60% of the Net Proceeds);
- to fund selective tuck-in acquisitions to improve the cost position and complete the product portfolio in the fields of rolling stock and rail infrastructure (approx. 15% to 20% of the Net Proceeds); and
- to repay existing financial indebtedness to reduce the financial leverage and to improve the financial flexibility for strategic investments going forward (approx. 25% to 30% of the Net Proceeds).

II. ZUSAMMENFASSUNG DES PROSPEKTS

A. Einführung und Warnungen

Dieser Prospekt (der „**Prospekt**“) bezieht sich auf das öffentliche Bezugsangebot (das „**Bezugsangebot**“) in der Bundesrepublik Deutschland („**Deutschland**“) von 60.000 nachrangigen, untereinander gleichberechtigten, auf den Inhaber lautenden Pflichtwandelschuldverschreibungen im Gesamtnennbetrag von EUR 60.000.000,00, einer Stückelung von jeweils EUR 1.000,00 und einem Nominalzinssatz in Höhe von 0,5% p.a., endfällig am 30. September 2022 (die „**Schuldverschreibungen**“), die von der Schaltbau Holding AG, München, Deutschland (die „**Gesellschaft**“ oder die „**Emittentin**“ und zusammen mit ihren Tochtergesellschaften „**wir**“, „**Schaltbau**“, die „**Gruppe**“ oder die „**Schaltbau-Gruppe**“) begeben werden. Die Schuldverschreibungen sind anfänglich in bis zu 2.068.965 auf den Namen lautende Aktien ohne Nennwert (*Stückaktien*) der Gesellschaft mit einem rechnerischen Anteil am Grundkapital von jeweils EUR 1,22 (die „**Aktien**“) wandelbar. Die Internationale Wertpapier-Identifikationsnummer (*International Securities Identification Number*, „**ISIN**“) der Schuldverschreibungen ist DE000A3E5FV1.

Das Bezugsangebot wird von der Gesellschaft gemacht und richtet sich ausschließlich an die Inhaber der Aktien der Gesellschaft (ISIN DE000A2NBL2).

Die Gesellschaft ist unter ihrer Geschäftsadresse Hollerithstraße 5, 81829 München, Deutschland, telefonisch unter +49 89 93005-0 oder über ihre Internetseite <https://schaltbaugroup.com> erreichbar. Die Rechtsträgerkennung (*Legal Entity Identifier*, LEI) der Gesellschaft lautet 52990099LIMD4VYT3175.

Der Prospekt datiert vom 30. März 2021 und wurde von der Bundesanstalt für Finanzdienstleistungsaufsicht (die „**BaFin**“) am 30. März 2021 gebilligt. Die BaFin ist erreichbar unter Marie-Curie-Straße 24-28, 60439 Frankfurt am Main, Deutschland, telefonisch unter +49 228 4108-0 oder über ihre Internetseite www.bafin.de.

Diese Zusammenfassung sollte als Einleitung zu dem Prospekt verstanden werden.

Ein Anleger sollte sich bei der Entscheidung, in die Schuldverschreibungen zu investieren, auf den Prospekt als Ganzes stützen.

Anleger könnten das gesamte angelegte Kapital oder einen Teil davon verlieren.

Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in dem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger nach nationalem Recht die Kosten für die Übersetzung des Prospekts vor Prozessbeginn zu tragen haben.

Zivilrechtlich haften nur diejenigen Personen, die die Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben, und dies auch nur für den Fall, dass die Zusammenfassung, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, irreführend, unrichtig oder widersprüchlich ist oder dass sie, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, nicht die Basisinformationen vermittelt, die in Bezug auf Anlagen in die betreffenden Wertpapiere für die Anleger eine Entscheidungshilfe darstellen würden.

Sie sind im Begriff, ein Produkt zu erwerben, das nicht einfach ist und schwer zu verstehen sein kann.

B. Basisinformationen über den Emittenten

a. Wer ist der Emittent der Wertpapiere?

aa. Sitz, Rechtsform, LEI, geltendes Recht und Land der Gründung

Die Gesellschaft hat ihren Sitz in München, Deutschland. Ihre Geschäftsadresse lautet Hollerithstraße 5, 81829 München, Deutschland. Sie ist im Handelsregister des Amtsgerichts München unter HRB 98668 eingetragen. Die Gesellschaft ist eine in Deutschland gegründete und deutschem Recht unterliegende Aktiengesellschaft. Die Rechtsträgerkennung (*Legal Entity Identifier*, LEI) der Gesellschaft lautet 52990099LIMD4VYT3175.

bb. Haupttätigkeiten

Die Schaltbau-Gruppe ist mit ihren Produkten, Systemen und Lösungen vorrangig ein Zulieferer der Bahnindustrie – sowohl im Bereich der Infrastruktur als auch der Fahrzeuge („Rolling Stock“). Außerdem entwickelt und liefert Schaltbau elektromechanische Komponenten und Lösungen für batteriebetriebene Gleichstromanwendungen in der Automobil- und Investitionsgüterindustrie.

Unter ihren vier Kernmarken Pintsch, Bode, Schaltbau und SBRS bietet Schaltbau ein breites Portfolio von Technologien und kundenspezifischen Lösungen für Schienenfahrzeuge, Bahninfrastruktur, Straßenfahrzeuge und weitere industrielle Anwendungen an. Darüber hinaus ist Schaltbau zunehmend in neuen, schnell wachsenden Märkten außerhalb des Bahnsektors aktiv, in denen Gleichstromanwendungen zur Erzeugung, Übertragung und Speicherung elektrischer Energie zur Anwendung kommen. Dazu gehören gleichstrombasierte industrielle Anwendungen insbesondere in der Investitionsgüterindustrie (New Industry), die Bereiche regenerative Energieerzeugung und dezentrale Energiespeicheranwendungen (New Energy) sowie E-Mobilität und E-Ladeinfrastruktur (New Mobility).

Die Schaltbau-Gruppe umfasst die Schaltbau Holding AG und ihre Tochtergesellschaften mit insgesamt etwa 2.900 Mitarbeitern, Vertriebs- und Produktionsstandorten in 14 Ländern und weltweit mehr als 60 Vertriebspartnern, wobei Deutschland und andere EU-Länder sowie China und die USA zu den wichtigsten Absatzmärkten der Gruppe gehören.

Das operative Geschäft wird hauptsächlich von den Tochtergesellschaften betrieben, während die Schaltbau Holding AG als oberstes Mutterunternehmen der Gruppe für die strategische Ausrichtung und Steuerung der Gruppe sowie weitere zentralisierte Funktionen für die gesamte Gruppe, einschließlich Governance-Funktionen, verantwortlich ist.

Die Struktur der meisten Produktlinien von Schaltbau ist durch eine hohe Wertschöpfungstiefe gekennzeichnet, die von der Forschung und Entwicklung über die Produktion bis zum Vertrieb reicht. Im Projektgeschäft hingegen setzt Schaltbau vor allem auf zugelieferte Komponenten und Bauleistungen.

Das operative Geschäft der Gruppe umfasst vier Bereiche: (i) Infrastrukturtechnik für den Bahnverkehr, (ii) Tür- und Zustiegssysteme für Bahnen, Busse und Nutzfahrzeuge sowie Inneneinrichtungen für Schienenfahrzeuge, (iii) elektromechanische Komponenten und kundenspezifische Lösungen für die Bahntechnik sowie für Industrieanwendungen und (iv) Modernisierung und Wiederaufbereitung von Schienenfahrzeugen sowie Ladeinfrastruktur für Elektrofahrzeuge.

Im Bereich Infrastrukturtechnik für den Bahnverkehr ist die Gruppe über die Pintsch GmbH, Dinslaken, Deutschland, und ihre Tochterunternehmen („**Pintsch-Gruppe**“) tätig. Die Pintsch-Gruppe beliefert die Deutsche Bahn sowie einige in- und ausländische Schienenverkehrs-Infrastrukturbetreiber, darunter Privat- und Werksbahnen, mit elektrischen Ausrüstungen für die Bahninfrastruktur und stationärer Verkehrstechnik. Die Produktpalette der Pintsch-Gruppe konzentriert sich auf die Bereitstellung von Systemen, Komponenten und Dienstleistungen für den Schienenverkehr, von der Planung, Entwicklung und Fertigung über die Montage, Prüfung und Inbetriebnahme bis hin zu Reparatur, Wartung, Ersatzteilversorgung, Schulung und digitalen Services. Zum Teil übernimmt Schaltbau auch die Gesamtverantwortung für die Erneuerung kompletter Streckenabschnitte. Zu den wichtigsten Produktfeldern der Pintsch-Gruppe gehören rechnergesteuerte Bahnübergangssicherungstechnik, Stellwerks- und Achszählsysteme, Tunnelsicherheitsbeleuchtung, Weichenheizungen sowie Rangier- und Signaltechnik.

Im Bereich Tür- und Zustiegssysteme sowie Inneneinrichtungen ist die Gruppe über die Gebr. Bode GmbH & Co. KG, Kassel, Deutschland, und ihre Tochtergesellschaften (die „**Bode-Gruppe**“) tätig. Die Bode-Gruppe ist ein Anbieter von modularen Tür- und Einstiegssystemen für Bahnen, Busse und Nutzfahrzeuge sowie von Inneneinrichtungen für Schienenfahrzeuge. Das Leistungsspektrum reicht von der Entwicklung über die Produktion bis zum Einbau und die Inbetriebnahme beim Fahrzeughersteller. Die Bode-Gruppe unterstützt die Betreiber solcher Fahrzeuge während der gesamten Lebensdauer der Fahrzeuge mit schnell verfügbaren Ersatzteilpaketen, Wartungspersonal und einem digital unterstützten After-Sales-Service. Die Produktgruppe „Systeme für Schienenfahrzeuge“ umfasst Komplettsysteme mit Sicherheitstechnik und Einstiegssystemen für Straßen-, U- und S-Bahnen sowie Regional- und Hochgeschwindigkeits-Fernzüge. Darüber hinaus bietet die Bode-Gruppe Türsysteme für Stadt- und Reisebusse sowie Nutzfahrzeuge an und ist in viele Plattformen der großen Hersteller integriert. Die Produktgruppe „Systeme für Straßenfahrzeuge“ umfasst Schiebetüren mit Führungssystemen für Kofferaufbauten, wie sie zum Beispiel bei Nutzfahrzeugen aus dem Bereich Kurier-, Express- und Paketdienste verwendet werden.

Im Bereich elektromechanische Komponenten und kundenspezifische Lösungen für die Bahntechnik sowie für Industrieanwendungen ist die Gruppe über die Schaltbau GmbH, München, Deutschland, und ihre Tochtergesellschaften (die „**Schaltbau GmbH-Gruppe**“) tätig. Das Kerngeschäft der Schaltbau GmbH-Gruppe liegt in der Entwicklung, Fertigung und dem Vertrieb von Schützen, Steckern, Steckverbindern, Schnappschaltern und anderen Schaltsystemen sowie einer Reihe weiterer elektromechanischer Komponenten wie Fahrschalter und Führerstands-ausrüstungen für ein breites Spektrum von Anwendungen in den Bereichen Bahn, Automotive, New Energy und New Mobility sowie anderen Branchen.

Die Schaltbau GmbH errichtet derzeit eine neue Produktionsstätte in Velden, Deutschland (die sog. „NEX Factory“). Mit diesem neuen Werk will Schaltbau einen modernen Standort mit einem lokal CO₂-freien Energiekonzept für die Entwicklung und Fertigung von elektromechanischen Komponenten wie Schützen, Steckverbindern und Schaltern für ein breites Spektrum von Gleichstromanwendungen in der Industrie, im Bahnbereich und in den Märkten New Energy und New Mobility schaffen, um so den Eintritt und das weitere Wachstum in neuen Marktsegmenten sowie Effizienzgewinne zu ermöglichen. Die neue Produktionsstätte ist ein wichtiger Baustein für das von der Schaltbau-Gruppe angestrebte weitere Wachstum in den Märkten New Energy, New Industry und New Mobility, die stark auf den Einsatz von Gleichstromanwendungen setzen. Die Fertigstellung des neuen Werks mit der ersten Stufe der Produktionskapazität ist derzeit für Herbst 2022 geplant.

Im Bereich Modernisierung und Wiederaufbereitung von Schienenfahrzeugen sowie Ladeinfrastruktur für Elektrofahrzeuge ist die Gruppe über die SBRs GmbH tätig. Die SBRs GmbH ist im kundenindividuellen Projektgeschäft zur Modernisierung, Wiederaufbereitung, Aufwertung, Wartung und Instandsetzung von Schienenfahrzeugen aktiv. Sie konzentriert sich auf die Voll- und Teilmodernisierung und Wiederaufbereitung von Zügen einschließlich Nebenleistungen wie Kundens Schulungen und -beratung, Klimaservice oder Hauptuntersuchungen und nutzt dabei die breite Produkt- und Lösungspalette der Gruppe, mit der die SBRs GmbH kundenspezifische Modernisierungs- und Nachrüstungs-lösungen entwickelt, konzipiert und realisiert. Darüber hinaus bietet die SBRs GmbH kundenspezifische Hochleistungs-Schnellladeinfrastruktursysteme für

Elektrofahrzeuge wie zum Beispiel E-Busse auf Gleichstrombasis für den städtischen Einsatz an.

Entsprechend den vier Geschäftsfeldern, in denen die Pintsch-Gruppe, die Bode-Gruppe, die Schaltbau GmbH-Gruppe und die SBRS GmbH tätig sind, ist die Segmentberichterstattung des Konzerns in die Segmente Pintsch, Bode, Schaltbau und SBRS unterteilt.

cc. Wesentliche Aktionäre

Die nachfolgende Tabelle zeigt die wesentlichen unmittelbaren und mittelbaren Aktionäre, die nach Kenntnis der Gesellschaft zum Datum des Prospekts 3% oder mehr der Stimmrechte der Gesellschaft halten (die nachstehenden Angaben beruhen auf den von den jeweiligen Aktionären übermittelten Stimmrechtsmitteilungen nach §§ 33, 34 (vormals §§ 21, 22) des Wertpapierhandelsgesetzes („WpHG“) auf der Grundlage der zum Zeitpunkt der Stimmrechtsmitteilung gültigen Gesamtzahl der Stimmrechte gemäß § 41 (vormals § 26a) WpHG).

Unmittelbare(r) Aktionär(e)	Mittelbare(r) Aktionär(e)	Anzahl der Aktien	Anteil an den Stimmrechten der Gesellschaft in %
Luxempart S.A.	Luxunion S.A. Foyer Finance S.A. Luxempart S.A.	1.920.315 ¹	21,69 ¹
Hans-Jakob Zimmermann	Hans-Jakob Zimmermann	1.920.315 ¹	21,69 ¹
Johannes Zimmermann	Johannes Zimmermann	1.920.315 ¹	21,69 ¹
Elrena GmbH	Elrena GmbH	1.920.315 ¹	21,69 ¹
Axxion S.A. / Frankfurter Aktienfonds für Stiftungen	Axxion S.A.	593.403	8,98 ²
Active Ownership Fund SICAV-FIS SCS	Florian Schuhbauer Active Ownership Advisors GmbH Active Ownership Capital S.à r.l. Active Ownership Corporation S.à r.l.	644.133	7,28
Active Ownership Fund SICAV-FIS SCS	Klaus Röhrig Tamline Investments Ltd. Tamline Import & Advisory LP Active Ownership Investments Ltd. Active Ownership Capital S.à r.l. Active Ownership Corporation S.à r.l.	644.133	7,28
Midlin NV	Teslin Capital Management BV	458.977	5,18
Universal-Investment-Luxembourg S. A.	Universal-Investment-GmbH	339.719	5,14 ²
Gerlin NV		443.610	5,01
Kreissparkasse Biberach	Landkreis Biberach	433.757	4,90
PSG-Universal-Fonds	BayernInvest Kapitalverwaltungs- gesellschaft mbH	382.986	4,33
Monolith N.V.	Stichting Administratiekantoor Monolith	324.257	3,66
Hermes Linder Fund SICAV PLC	Massimo Malvestio Finpartes Ltd Veniero Investments Ltd Praude Asset Management Ltd	186.753	3,04 ³

¹ Die Aktionäre Luxempart S.A., Elrena GmbH, Hans-Jakob Zimmermann und Johannes Zimmermann (zusammen die „**Acting in Concert-Parteien**“ und jeweils eine „**Acting in Concert-Partei**“) handeln gemeinsam und üben ihre Stimmrechte aus ihren Aktien an der Gesellschaft auf Basis einer vertraglichen Vereinbarung gemeinsam aus (die „**Acting in Concert-Vereinbarung**“). Aufgrund der Acting in Concert-Vereinbarung wird gemäß § 34 Abs. 2 WpHG die Summe der von den Acting in Concert-Parteien gehaltenen Stimmrechte jeder Acting in Concert-Partei sowie, im Falle der Luxempart S.A., deren kontrollierenden Unternehmen zugerechnet. Am 20. Oktober 2020 (i) hat die Elrena GmbH mitgeteilt, direkt 272.475 Aktien zu halten, was einem Anteil von 3,08% am Grundkapital der Gesellschaft entspricht, (ii) hat Hans-Jakob Zimmermann mitgeteilt, direkt 409.597 Aktien zu halten, was einem Anteil von 4,63% am Grundkapital der Gesellschaft entspricht, und (iii) hat Johannes Zimmermann mitgeteilt, direkt 52.246 Aktien zu halten, was einem Anteil von 0,59% am Grundkapital der Gesellschaft entspricht.

² Diese Prozentangabe bezieht sich auf die Gesamtzahl von 6.609.770 Aktien, die zum Datum der jeweiligen Stimmrechtsmitteilung ausgegeben waren.

³ Diese Prozentangabe bezieht sich auf die Gesamtzahl von 6.152.190 Aktien, die zum Datum der Stimmrechtsmitteilung ausgegeben waren.

Alle Aktien vermitteln die gleichen Stimmrechte. Kein Aktionär hält direkt oder indirekt über Tochterunternehmen oder dritte Personen mehr als 30% der Stimmrechte der Gesellschaft und somit eine Kontrolle vermittelnde Beteiligung im Sinne des Wertpapiererwerbs- und Übernahmegesetzes (WpÜG).

dd. Mitglieder des Vorstands

Die Gesellschaft wird von ihrem Vorstand geleitet, der gegenwärtig aus Dr. Jürgen Brandes (Vorsitzender und Chief

Executive Officer (CEO)), Steffen Munz (Chief Financial Officer (CFO)) und Volker Kregelin besteht.

ee. Abschlussprüfer

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, München, hat den Konzernabschluss der Gesellschaft für das Geschäftsjahr 2020 geprüft.

b. Welches sind die wesentlichen Finanzinformationen über den Emittenten?

Soweit nicht anders angegeben, sind die Finanzinformationen in diesem Prospekt aus dem englischsprachigen, in Übereinstimmung mit den IFRS erstellten, geprüften Konzernabschluss der Gesellschaft für das Geschäftsjahr 2020 entnommen oder abgeleitet. „Geschäftsjahr“ bezeichnet das Geschäftsjahr der Gesellschaft, d.h. ein Geschäftsjahr beginnend mit dem 1. Januar eines Kalenderjahres und endend mit dem 31. Dezember desselben Kalenderjahres.

aa. Wesentliche Finanzinformationen aus der Konzerngewinn- und -verlustrechnung

	Geschäftsjahr 2020	Geschäftsjahr 2019
	(geprüft)	(geprüft)
Umsatzerlöse (TEUR)	502.343	513.708
Ergebnis der betrieblichen Tätigkeit (EBIT) ^{1 3} (TEUR)	21.722	17.184
EBIT-Marge ^{2 3} (%)	4,3	3,3
Konzernjahresergebnis (TEUR)	5.663	7.358
Ergebnis je Aktie (EUR)	0,44	0,46

¹ Wir definieren „Ergebnis der betrieblichen Tätigkeit (EBIT)“ als Ergebnis vor Zinsen und Steuern.

² Wir definieren „EBIT-Marge“ als „Ergebnis der betrieblichen Tätigkeit (EBIT)“ geteilt durch „Umsatzerlöse“.

³ Alternative Leistungskennzahl (APM), die nach IFRS nicht definiert bzw. anerkannt ist und die von dem Management der Gesellschaft als finanzielle Kennzahl zur Steuerung des Erfolgs der Schaltbau-Gruppe verwendet wird.

bb. Wesentliche Finanzinformationen aus der Konzernbilanz

	Zum 31. Dezember 2020	Zum 31. Dezember 2019
	TEUR (geprüft)	TEUR (geprüft)
Summe Aktiva	411.836	401.174
Summe Eigenkapital	90.735	97.407

cc. Wesentliche Finanzinformationen aus der Konzernkapitalflussrechnung

	Geschäftsjahr 2020	Geschäftsjahr 2019
	TEUR (geprüft)	TEUR (geprüft)
Cash Flow aus betrieblicher Tätigkeit.....	32.239	62.912
Cash Flow aus Investitionstätigkeit	-18.519	-20.626
Cash Flow aus Finanzierungstätigkeit.....	-337	-38.754

c. Welches sind die zentralen Risiken, die für den Emittenten spezifisch sind?

- Als weltweit tätiger Konzern ist die Schaltbau-Gruppe sowohl direkt als auch indirekt über ihre Kunden und Lieferanten erheblichen Marktrisiken ausgesetzt, die mit einer Verschlechterung der Weltwirtschaft und den Auswirkungen und Unsicherheiten, die sich aus der COVID-19-Pandemie ergeben, verbunden sind.
- Die Anzahl der potenziellen Kunden für die Produkte der Schaltbau-Gruppe ist begrenzt und ein großer Teil des Umsatzes konzentriert sich auf wenige Kunden, insbesondere in der Bahn- und Automobilindustrie. Aus diesem Grund ist das Geschäft der Schaltbau-Gruppe durch einen hohen Preisdruck gekennzeichnet, der durch zunehmende Deregulierung und Liberalisierung auf der Ebene der Bahnbetreiber und Konsolidierung in den Branchen der Kunden der Schaltbau-Gruppe noch verstärkt wird.
- Die Geschäftstätigkeit der Schaltbau-Gruppe wird von Nachfrageschwankungen und anderen Entwicklungen in der Bahn-, Automobil- und Investitionsgüterindustrie beeinflusst. Die Schaltbau-Gruppe ist dabei insbesondere von der Entwicklung staatlicher und privater Investitionen in den Bahnsektor abhängig, durch den sie große Teile ihres Umsatzes erzielt.
- Die Schaltbau-Gruppe ist einem intensiven und zunehmenden Wettbewerb ausgesetzt. Wettbewerber mit größeren finanziellen, technischen oder organisatorischen Ressourcen könnten Marktanteile gewinnen und in der Lage sein, ähnliche Produkte zu günstigeren Preisen anzubieten, was den bereits starken Preiswettbewerb noch weiter intensivieren könnte.

- Das Wachstum der Schaltbau-Gruppe in Märkten, in denen Gleichstrom zur Erzeugung, Übertragung und Speicherung elektrischer Energie zur Anwendung kommt, sowie im Bereich der Modernisierung und Wiederaufbereitung von Schienenfahrzeugen könnte geringer und/oder langsamer ausfallen als geplant. Der Bau der neuen Produktionsstätte in Velden, Deutschland, könnte teurer werden und/oder länger dauern als erwartet.
- Im Zusammenhang mit der Planung und Durchführung von Projekten, insbesondere von Großprojekten im Bahnsektor, ist die Schaltbau-Gruppe sowohl Kalkulations- als auch Ausführungsrisiken ausgesetzt.
- Die Schaltbau-Gruppe ist auf die ständige Verbesserung und Weiterentwicklung bestehender Produkte und die Fähigkeit zur Entwicklung neuer Produkte, insbesondere im Zusammenhang mit der Digitalisierung, sowie auf die erfolgreiche Anpassung an die Gegebenheiten in ausländischen Märkten angewiesen.
- Die Schaltbau-Gruppe unterliegt Beschaffungsrisiken. Für die Herstellung und Montage ihrer Produkte ist die Schaltbau-Gruppe von der Verfügbarkeit bestimmter Materialien wie Metalle und Kunststoffe, kompletter Teile und Komponenten sowie vormontierter Einheiten abhängig.
- Produkte der Schaltbau-Gruppe könnten Mängel aufweisen oder nicht den geltenden regulatorischen Standards entsprechen oder spezifische Kundenanforderungen nicht erfüllen, was zu einer Haftung der Gruppe führen könnte.
- Die Nichteinhaltung der Regelungen der bestehenden Finanzierungsvereinbarungen der Schaltbau-Gruppe könnte zu einer Verpflichtung zur vorzeitigen Rückzahlung von Verbindlichkeiten führen, und der Verschuldungsgrad und die Schuldendienstverpflichtungen der Gruppe könnten die für das Wachstum des Geschäfts, für Dividendenzahlungen und andere Maßnahmen zur Verfügung stehenden Mittel einschränken.
- Die Fähigkeit der Schaltbau-Gruppe, in Zukunft Kapital zur Finanzierung des Geschäfts und des weiteren Wachstums oder zur Refinanzierung von Verbindlichkeiten aufzunehmen, könnte eingeschränkt sein.
- Die Schaltbau-Gruppe ist im Rahmen der gewöhnlichen Geschäftstätigkeit von Zeit zu Zeit in Rechtsstreitigkeiten und Gerichtsverfahren involviert, die zu erheblichen Zahlungsverpflichtungen und Reputationsverlusten führen können.
- Das geistige Eigentum der Schaltbau-Gruppe und ihr Know-how sind nur in begrenztem Umfang geschützt und schutzbar.

C. Basisinformationen über die Wertpapiere

a. Welches sind die wichtigsten Merkmale der Wertpapiere?

Die Rechte und Pflichten aus den Schuldverschreibungen sind in den Anleihebedingungen (die „**Anleihebedingungen**“) geregelt.

Die Schuldverschreibungen sind nachrangige Pflichtwandelschuldverschreibungen im Gesamtnennbetrag von EUR 60.000.000,00 und einer Stückelung von jeweils EUR 1.000,00, endfällig am 30. September 2022 (der „**Endfälligkeitstag**“).

Die Schuldverschreibungen werden ab dem Ausgabetag und einschließlich des Ausgabetags mit einem festen Zinssatz von 0,5% ihres Nennbetrags pro Jahr verzinst. Die Zinsen sind jährlich nachträglich am 30. September eines jeden Jahres zahlbar, wobei die erste Zahlung am 30. September 2021 zu leisten ist (kurzer erster Kupon). Gemäß § 4(b) der Anleihebedingungen endet der Zinslauf der Schuldverschreibungen (i) im Falle der Pflichtwandlung bei Endfälligkeit gemäß § 5(a) der Anleihebedingungen mit Ablauf des Tages, der dem Endfälligkeitstag unmittelbar vorangeht, (ii) im Falle einer freiwilligen Wandlung durch einen Anleihegläubiger gemäß § 8(b) der Anleihebedingungen (außer bei einer freiwilligen Wandlung im Falle eines Kontrollwechsels) mit Ablauf des Tages, der dem letzten Zinszahlungstag vor dem betreffenden Wandlungstag unmittelbar vorangeht, (iii) im Falle einer freiwilligen Wandlung durch einen Anleihegläubiger nach Eintritt eines Kontrollwechsels bei der Emittentin, mit Ablauf des Tages, der dem vom Emittenten bekanntgemachten Kontrollwechselstichtag unmittelbar vorangeht, und (iv) im Falle einer vorzeitigen Pflichtwandlung durch den Emittenten gemäß § 5(b) der Anleihebedingungen, mit Ablauf des Tages, der dem Optionalen Pflichtwandlungstag unmittelbar vorangeht (zur Klarstellung: in diesem Fall hat die Emittentin zusätzlich den Make-whole-Zinsbetrag zu zahlen).

Die Schuldverschreibungen begründen nicht besicherte, nachrangige Verbindlichkeiten der Emittentin, die untereinander im Rang gleich stehen und im Falle der Liquidation, der Auflösung oder der Insolvenz der Emittentin oder eines Vergleichs oder eines anderen, der Abwendung der Insolvenz der Emittentin dienenden Verfahrens nachrangig sind gegenüber allen anderen bestehenden und zukünftigen nicht nachrangigen und nachrangigen Verbindlichkeiten der Emittentin (mit Ausnahme solcher bestehenden und zukünftigen nachrangigen Verbindlichkeiten, die mit den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen im gleichen Rang stehen bzw. stehen werden), soweit zwingende gesetzliche Bestimmungen nichts anderes vorschreiben. Zahlungen auf die Schuldverschreibungen würden in einem solchen Fall mithin erst erfolgen, wenn die Ansprüche aller nicht nachrangigen und nachrangigen Gläubiger der Emittentin, die Ansprüchen aus den Schuldverschreibungen vorgehen, vollständig befriedigt sind.

Soweit die Schuldverschreibungen nicht vorher gewandelt wurden, werden die Schuldverschreibungen am Endfälligkeitstag zum maßgeblichen Wandlungsverhältnis zwingend in Aktien der Emittentin gewandelt.

Jeder Inhaber der Schuldverschreibungen hat das Recht, jede Schuldverschreibung bereits vor dem Endfälligkeitstag ganz, jedoch nicht teilweise, an jedem Geschäftstag während des Wandlungszeitraums zum Wandlungspreis freiwillig in Aktien der Emittentin zu wandeln. Wie in § 1(c) der Anleihebedingungen näher definiert, bezeichnet „**Wandlungszeitraum**“ die folgenden Zeiträume:

- (i) der Zeitraum ab dem zehnten Geschäftstag vor einem Vierteljährlichen Wandlungstag (einschließlich) bis (einschließlich) zu dem Geschäftstag vor diesem Vierteljährlichen Wandlungstag;
- (ii) im Falle einer Sonderwandlung der Zeitraum ab dem Ausgabetag (einschließlich) bis (einschließlich) zu dem zehnten Geschäftstag vor dem Endfälligkeitstag (oder, falls der zehnte Geschäftstag vor dem Endfälligkeitstag in einen Ausschlusszeitraum (wie in den Anleihebedingungen definiert) fällt, dem letzten Geschäftstag vor dem Beginn dieses Ausschlusszeitraums);
- (iii) bestimmte spezifische Fristen, die im Falle eines Kontrollwechsels bei der Emittentin oder eines Übernahmeangebots oder eines bedingten Übernahmeangebots für die Aktien der Emittentin gelten.

„**Vierteljährlicher Wandlungstag**“ bezeichnet den 12. Mai 2021, 12. August 2021, 12. November 2021, 12. Februar 2022, 12. Mai 2022 und 12. August 2022.

Anleihegläubiger sind zu einer „Sonderwandlung“ berechtigt, wenn der Gesamtnennbetrag der Schuldverschreibungen, für die das Wandlungsrecht durch den jeweiligen Anleihegläubiger ausgeübt werden soll, gleich oder größer als EUR 100.000,00 ist.

Falls aufgrund einer Änderung oder Ergänzung der Gesetze oder Vorschriften der Bundesrepublik Deutschland oder der Europäischen Union oder der anwendbaren Rechnungslegungs- und Bilanzierungsstandards oder jede Änderung oder Ergänzung einer offiziellen Auslegung oder Anwendung dieser Gesetze, Vorschriften oder Standards, die am oder nach dem Emissionstag wirksam wird, die Schuldverschreibungen nicht mehr als Eigenkapital gemäß IFRS zu behandeln sind, kann die Emittentin mit einer Frist von mindestens 30 und höchstens 60 Tagen vor dem Endfälligkeitstag die Pflichtwandlung aller, aber nicht nur einiger, der ausstehenden Teilschuldverschreibungen in Aktien an dem von der Emittentin in der Mitteilung festgelegten Wandlungstag (der „**Optionale Pflichtwandlungstag**“) zum maßgeblichen Wandlungsverhältnis veranlassen. Die Emittentin zahlt in diesem Fall alle bis zum Optionalen Pflichtwandlungstag aufgelaufenen und nicht gezahlten Zinsenbeträge zuzüglich aller Zinsbeträge, die bis zum Fälligkeitstag fällig geworden wären (der „**Make-whole-Zinsbetrag**“).

Der Wandlungspreis beträgt anfänglich EUR 29,00 je Aktie (der „**Wandlungspreis**“) und unterliegt in bestimmten Fällen Anpassungen, wie in den Anleihebedingungen festgelegt. Das Wandlungsverhältnis entspricht dem Nennbetrag einer Schuldverschreibung in Höhe von EUR 1.000,00 geteilt durch den Wandlungspreis (das „**Wandlungsverhältnis**“), d.h. zunächst 34,4827 Aktien je Schuldverschreibung.

b. Wo werden die Wertpapiere gehandelt?

Die Gesellschaft beabsichtigt, die Einbeziehung der Schuldverschreibungen in den Handel im Freiverkehr (Open Market) der Frankfurter Wertpapierbörse zu beantragen. Darüber hinaus beabsichtigt die Gesellschaft derzeit nicht, eine Notierung der Schuldverschreibungen an einer anderen in- oder ausländischen Börse zu beantragen.

c. Welches sind die zentralen Risiken, die für die Wertpapiere spezifisch sind?

- Die Zahlungsverpflichtungen der Emittentin aus den Schuldverschreibungen stellen unbesicherte und nachrangige Verbindlichkeiten der Emittentin dar, die im Insolvenzfall nachrangig gegenüber allen gegenwärtigen und zukünftigen nicht nachrangigen Verbindlichkeiten der Emittentin sind, d.h., dass keine Beträge an die Inhaber der Schuldverschreibungen zu zahlen wären, bevor nicht die Ansprüche aller nicht nachrangigen Gläubiger der Emittentin, die gegenüber den Verpflichtungen aus den Schuldverschreibungen vorrangig sind, vollständig befriedigt worden sind.
- Anleger, die die Schuldverschreibungen zeichnen, werden mit der Wandlung der Schuldverschreibungen in Aktien der Emittentin Risiken ausgesetzt sein. Der Marktpreis der Schuldverschreibungen wird in erster Linie vom Kurs der Aktien der Emittentin abhängen, und die Anleihegläubiger könnten solche Aktien zu einem Zeitpunkt erhalten, zu dem der Wandlungspreis wesentlich höher ist als der dann geltende Aktienkurs.

D. Basisinformationen über das öffentliche Angebot von Wertpapieren

a. Zu welchen Konditionen und nach welchem Zeitplan kann ich in dieses Wertpapier investieren?

Die Schuldverschreibungen werden den Aktionären der Gesellschaft im Verhältnis 147,5365:1 (d.h. 147,5365 Aktien berechtigen zum Bezug von einer Schuldverschreibung) zum Bezugspreis, der dem Nennbetrag einer Schuldverschreibung von EUR 1.000,00 entspricht, zum Bezug angeboten. Jede Aktie vermittelt technisch ein Bezugsrecht (ISIN DE000A3E5AE8). Dementsprechend berechtigen 147,5365 Bezugsrechte zum Bezug einer Schuldverschreibung. Maßgeblich für die Berechnung der Anzahl der den Aktionären jeweils zustehenden Bezugsrechte ist deren jeweiliger Bestand an Aktien der Gesellschaft nach Buchungsschluss am 31. März 2021. Aktionäre können keine Bruchteile von Schuldverschreibungen beziehen. Es ist nur der Bezug einer

Schuldverschreibung oder eines ganzzahligen Vielfachen davon möglich.

Bezugsrechte müssen in dem Zeitraum vom 1. April 2021, 0:00 Uhr (MESZ), bis 16. April 2021, 12:00 Uhr (MESZ) (die „**Bezugsfrist**“), ausgeübt werden. Weisungen bezüglich der Ausübung von Bezugsrechten sind von Anlegern an ihre jeweiligen Depotbanken zu richten. Anlegern wird empfohlen, die Hinweise ihrer Depotbanken zu befolgen. Bezugsrechte, die nicht innerhalb der Bezugsfrist ausgeübt werden, verfallen und werden nach Ablauf der Bezugsfrist wertlos ausgebucht. Ein Ausgleich für nicht ausgeübte Bezugsrechte erfolgt nicht.

DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Platz der Republik, 60325 Frankfurt am Main, Deutschland, ist von der Gesellschaft als Bezugsstelle (die „**Bezugsstelle**“) für das Bezugsangebot beauftragt worden.

In einer Vereinbarung zwischen der Gesellschaft und mehreren ihrer Aktionäre vom 1. März 2021 haben sich die betreffenden Aktionäre verpflichtet, insgesamt Schuldverschreibungen im Gesamtnennbetrag von bis zu EUR 60.000.000 zu erwerben, die nicht von Aktionären im Rahmen des Bezugsangebots bezogen werden.

Die Schuldverschreibungen werden in einer Globalurkunde verbrieft, die bei der Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Deutschland, hinterlegt wird. Die Lieferung der Schuldverschreibungen erfolgt voraussichtlich am oder um den 23. April 2021.

Weder die Gesellschaft noch die Bezugsstelle werden Anlegern Kosten in Rechnung stellen. Von den Depotbanken der Anleger in Rechnung gestellte Kosten werden weder von der Gesellschaft noch von der Bezugsstelle übernommen.

Die Gesamtkosten und -gebühren des Bezugsangebots betragen voraussichtlich ca. EUR 2.600.000.

b. Weshalb wird dieser Prospekt erstellt?

Die Schuldverschreibungen werden den Aktionären der Gesellschaft öffentlich zum Bezug angeboten. Die Gesellschaft erwartet, aus der Begebung der Schuldverschreibungen Nettoerlöse in Höhe von ca. EUR 57.400.000 (der „**Nettoemissionserlös**“) zu erzielen.

Die Gesellschaft beabsichtigt, den Nettoemissionserlös wie folgt zu verwenden:

- zur Finanzierung des Baus der neuen Produktionsstätte („NExT Factory“) in Velden, Deutschland (ca. 50% bis 60% des Nettoemissionserlöses);
- zur Finanzierung gezielter Tuck-in-Akquisitionen in den Bereichen Schienenfahrzeuge und Bahninfrastruktur zur Verbesserung der Kostenposition und Vervollständigung des Produktportfolios (ca. 15% bis 20% des Nettoemissionserlöses); und
- zur Rückzahlung bestehender Finanzverbindlichkeiten, um den finanziellen Verschuldungsgrad zu reduzieren und die finanzielle Flexibilität für künftige strategische Investitionen zu verbessern (ca. 25% bis 30% des Nettoemissionserlöses).

III. RISK FACTORS

An investment in the subordinated mandatory convertible bonds (the “**Bonds**”) offered by Schaltbau Holding AG, Munich, Germany (the “**Company**” or the “**Issuer**” and collectively with its subsidiaries “**Schaltbau**”, the “**Group**” or the “**Schaltbau Group**”), is subject to risks. Potential investors should carefully consider the risk factors set out in this section, together with the other information contained in this Prospectus, before investing in the Bonds.

The factors described below represent those risks which are material and specific to the Company and/or the Bonds.

The presentation of the risk factors is divided into two main categories: “1. Risk factors relating to the Company and the Group” and “2. Risk factors relating to the Bonds”.

The risk factors relating to the Company and the Group are further divided into six subcategories: “1.1 Market and industry related risks”; “1.2 Business related risks”; “1.3 Financial risks”; “1.4. Legal and tax risks”; “1.5 Risks related to the profit forecast”; “1.6 Risks related to the shareholder structure of the Company and the price of the Company’s shares”.

The risk factors relating to the Bonds are further divided into four subcategories: “2.1 Risks related to the status and nature of the Bonds”; “2.2 Risks related to the characteristics and certain terms of the Bonds”; “2.3 Risks related to the exercise of the conversion right at the option of Bondholders”; “2.4 Risks related to the market in the Bonds”.

The Company has assessed the materiality of the risk factors on the basis of probability of their occurrence and the expected magnitude of their negative impact. The Company considers the first two risk factors within each subcategory as the most material of the risk factors contained in the relevant subcategory. The order of the risk factors following those first two risk factors within each subcategory does not imply any statement on the probability of occurrence or on the significance or extent of the individual risks.

The occurrence of any of these risks, individually or together with other circumstances and uncertainties currently unknown to the Company or deemed immaterial by the Company, could have a material adverse effect on Schaltbau’s business, net assets, cash flows, financial condition, results of operations and future prospects. This could have an adverse effect on the market price of the Bonds and/or the Company’s shares and investors could lose some or all of their invested capital.

1. Risk factors relating to the Company and the Group

1.1 Market and industry related risks

1.1.1 The Schaltbau Group is exposed to substantial market risks associated with a deterioration of the global economy and the implications and uncertainties resulting from the COVID-19 pandemic.

As a globally active group, the Schaltbau Group is directly, as well as indirectly through its customers and suppliers, exposed to substantial market risks associated with a deterioration of the global economy. A deterioration of the economy may have adverse effects on global demand, which in turn may adversely affect order intake for the Schaltbau Group’s products or lead to postponements or cancellations of orders by customers.

Since early 2020, the global economy has been materially adversely affected by the outbreak of the SARS-CoV-2 (“**COVID-19**”) pandemic in particular. The spread of COVID-19 rapidly intensified in many countries over the course of 2020 and the beginning of 2021, resulting in even larger disruptions to economic activity than initially forecasted. Consumption and services output have also dropped markedly. In addition, businesses have cut back on investment, leading to a broad-based aggregate demand shock. The adverse effects of the disease itself have been compounded by measures aimed at mitigating its further spread, including restrictions on travel, imposition of quarantines, governmental lockdowns and curfews, other social distancing measures, and additional sanitary requirements at, and prolonged closures of, workplaces. Such countermeasures have caused significant economic downturns and recessions in a number of countries. They could ultimately result in a severe and prolonged global recession and financial crisis with considerable stock market declines and volatility. The future implications of the COVID-19 pandemic for the global economy are, however, uncertain and may exceed any current expectations for worst case scenarios, especially in case of further “waves” of infections, renewed quarantines, governmental lockdowns and curfews and/or other social distancing

measures in any territory. The exact implications will depend on a number of factors, such as the duration and further spread of the pandemic, the availability of vaccines and the vaccination of large parts of the population, the timing, suitability and effectiveness of measures imposed by authorities as well as the level of civil compliance with such measures. There is no guarantee that the measures aimed at mitigating a further spread of COVID-19 will be effective.

The deterioration of the global economy and related downturn in demand due to the COVID-19 pandemic had adverse effects on certain operative segments of the Schaltbau Group, in particular the “Bode” segment and the “Schaltbau” segment. In the “Bode” segment, the COVID-19 related adverse effects held down operations in the road & automotive business unit. Apart from plant closures at major bus manufacturers, this was mainly due to a slump in demand in the long-distance bus market, which the bus manufacturers in turn responded to by reducing their own production capacities. Customer orders for products of the “Schaltbau” segment also declined markedly as a result of the downturn in global demand.

The measures imposed at mitigating the further spread of COVID-19 also had a negative impact on the Group’s operations worldwide. The outbreak of COVID-19 in January 2020 led to the closing of the Group’s production plant in Xi’an (China) for several weeks up to the end of February 2020. Moreover, due to the adverse effects of the COVID-19 pandemic on the bus and automotive markets, Gebr. Bode GmbH & Co. KG, Kassel, Germany, temporarily adapted its production operations. The Group’s Italy-based subsidiary SPII S.p.A. was also compelled to temporarily shut down its manufacturing facility in March/April 2020. In addition, the supply chain for products of the road & automotive business unit via the Schaltbau Group’s Polish subsidiary Rawicka Fabryka Wyposażenia Wagonów “RAWAG” Sp. z o.o. (Poland) (“**RAWAG**”) was partially interrupted due to strict lockdown regulations in Poland. In light of demand-induced fluctuations in capacity utilisation, the Schaltbau Group has taken several measures to adjust the production operations at several sites (including through the introduction of short-time work (*Kurzarbeit*)). It cannot be ruled out that further plant closures will become required due to governmental lockdowns, disruptions in the supply chain, falling demand or project postponements on the part of customers. This risk is even greater since certain original equipment manufacturers (“**OEMs**”) in the bus sector are switching, and further OEMs might switch in future, towards an insourcing strategy for door production as a result of the COVID-19 pandemic. Moreover, negative impacts on the Group’s operations may also arise from the COVID-19 related absence of qualified personnel.

The COVID-19 related decline in demand for the Group’s products and disruptions of the Group’s operations had, and any further decline may have, a material adverse effect on the Schaltbau Group’s revenues and cost base, which in turn may have a negative impact on the Schaltbau Group’s results of operations and financial position.

1.1.2 The number of potential customers for the products of the Schaltbau Group is limited, in particular in the rail and automotive industries, and the substantial buyer power of customers is associated with high pricing pressure.

The Schaltbau Group sells a significant share of its products to companies in the railway sector and a smaller portion also to bus manufacturers. The biggest customers of the Schaltbau Group are Deutsche Bahn AG and its subsidiaries (“**Deutsche Bahn**”) as well as European OEMs in the rail, automotive and capital goods industries, followed by rail infrastructure operators. The number of companies and therefore potential customers for the products of the Schaltbau Group is thus limited, and a large part of the revenue is concentrated among few customers.

For this reason, the business of the Schaltbau Group is characterised by high pricing pressure. This high pressure on selling prices is further intensified by increasing deregulation and liberalisation at the level of rail operators and is passed on to rail suppliers via the system manufacturers. Customers of the Schaltbau Group have in the past, from time to time, used their buyer power to push through price reductions and might try to do so also in the future.

In addition, more and more consolidation is taking place in the industries of the customers of the Schaltbau Group, which means that the number of potential customers is continuing to decrease. Recent examples are the acquisition of the locomotive business of Vossloh AG by the Chinese railroad company CRRC in May 2020, which has been able to gain significant market shares and is becoming increasingly active on the global market, and the merger of the French railway technology group Alstom and the train division of the Canadian company Bombardier. Similarly, certain OEMs in the bus sector are switching, and further OEMs might switch in future, towards an insourcing strategy for door production as a result of the COVID-19 pandemic, which could further reduce the number of potential customers. The

consolidation is associated with increasing pricing pressure and a shift in the customer structure in all four segments of the Schaltbau Group. This leads to lower margins in some markets and, occasionally, to project delays.

Therefore, the entities of the Schaltbau Group must be able to lower their manufacturing costs or otherwise respond to and compensate price decreases. Otherwise they could lose market shares and their competitive position could deteriorate. If the Schaltbau Group has to accept lower prices and this cannot be offset by cost savings, this could result in the loss of market shares and have negative effects on profit margins, which in turn could materially adversely affect the Group's results of operations.

In light of the limited number of potential customers, the Schaltbau Group is also strongly dependent on maintaining the relationships with its major customers. Should any of the Group's major customers decide not to continue the business relationship with Schaltbau, Schaltbau could suffer substantial decreases in order intake and revenue generation, which could, in turn, materially adversely affect the Group's results of operations.

1.1.3 The business activities of the Schaltbau Group are impacted by fluctuations in demand as well as other developments in the rail, automotive and capital goods industries. The Schaltbau Group is, in particular, dependent on the development of public and private investments in the railway sector.

The markets on which the Schaltbau Group is active are generally characterised by long-term investment decisions made by OEMs or their end customers. The order intake for the Schaltbau Group's products reflects the capital investment decisions of the Group's customers, which depend to a great extent on the general level of economic activity in the various industries and the overall economic and financial condition of the sectors in which the Group's customers operate.

The Schaltbau Group is a provider of system solutions for the transport of people and goods. It supplies its customers with the following products, amongst others:

- door and boarding systems for trains and railway stations, buses and commercial vehicles,
- interior fittings, information, control and communication systems, master controllers and driver's desk equipment as well as sanitary systems for rolling stock,
- charging stations for e-buses,
- high- and low voltage components for rolling stock and other applications, and
- complete level crossings as well as shunting and signal technology.

The Schaltbau Group's main customer industries primarily include the railway industry (in particular rolling stock and rail infrastructure), the automotive industry and the capital goods industry. The demand on these markets depends on a large number of factors and trends that the Schaltbau Group cannot influence. The factors that influence demand include, inter alia:

- development of the need for infrastructure for mass transportation facilities due to increasing urbanisation and mobility,
- changes to the requirements in terms of safety and comfort, e.g. regarding the boarding systems for trains and in railway stations,
- digitisation of rail infrastructure and the resulting development of new, fast-growing technology and market sectors within transportation technology, and
- limited availability of fossil fuels and increasingly strict climate protection measures that require energy-efficient means and systems of transport as well as the increased use of alternative energy.

The aforementioned factors that influence demand in the rail, automotive and capital goods segments could change to the detriment of the Schaltbau Group. Moreover, new developments could arise that have a negative effect on demand for the products of the Schaltbau Group. Finally, it could also be the case that aforementioned factors that have thus far had a positive effect on demand for the products of the Schaltbau Group will no longer have this effect.

The Schaltbau Group is especially dependent on the developments in the railway sector, by means of which it generates a large part of its revenue. In this market sector, revenue indirectly depends on the contracts awarded by public and private railway companies to the manufacturers of rolling stock, and

directly depends on the investments in rail infrastructure, the vast majority of which are made by public sector customers. This can be seen, for example, in the case of the business of the Group entities in the Pintsch segment, where Deutsche Bahn is among the main customers. The scope of Deutsche Bahn's investments in rail infrastructure mainly depends on the extent to which the Federal Government provides it with funds for construction measures. The delay of government-funded investment programmes could thus have a direct impact on order intake in the Pintsch segment.

The demand for door systems for commercial vehicles and charging stations for e-buses is strongly influenced by the ordering behavior of municipal transport companies with regard to new buses and thus by the financial situation of cities and municipalities. In the industrial sector, the cyclical development of trade and logistics, but also of the energy sector, have a direct impact on Schaltbau's order intake.

Spending cuts or a shift of investments to areas not covered by the Schaltbau Group could have a negative impact on the order situation, in particular with regard to Schaltbau's components business.

A drop in demand for products of the Schaltbau Group, in particular due to a decrease in public and private investments in the railway sector, could have significantly adverse effects on the results of operations and financial position of the Schaltbau Group.

1.1.4 The Schaltbau Group faces intense and increasing competition. Competitors with greater financial, technical or organisational resources could gain market shares and might, inter alia, be able to offer similar products at cheaper prices, which could further intensify the already strong price competition.

The Schaltbau Group faces worldwide competition. The main competitors of the Schaltbau Group are companies that likewise operate as suppliers in the rail, automotive or capital goods sectors. Some of them have greater financial, technical or organisational resources than the Schaltbau Group. As a result, they might be able to finance acquisitions more cost-effective, to drive organic growth more quickly and to react to technological changes faster. Some of these competitors might also be able to offer products that are similar to those of the Schaltbau Group at cheaper prices. This applies in particular to competitors from, and with production facilities in, low-wage countries such as China, whose market entry- and expanded market presence has already led to increasing international competition. The resulting price competition could further intensify, especially if the competitors offering similar products at cheaper prices further expand their market shares. Moreover, although there are relatively high barriers to enter the markets on which Schaltbau is active mainly due to a high level of complexity and a long homologation time in light of regulatory requirements, additional competitors could enter the market, which would further intensify competition. This could adversely affect the Group's competitive position and lead to a situation in which the Schaltbau Group would be forced to offer its products at (increasingly) lower prices, which could decrease profitability and thus have a negative effect on the results of operations of the Schaltbau Group.

Moreover, it is possible that manufacturers that are not yet competing with the Schaltbau Group will expand their product portfolios so that they will then compete directly with the Schaltbau Group. Such a development could lead to these manufacturers establishing relationships with the customers of the Schaltbau Group, which could negatively affect the business and customer relationships of the Schaltbau Group and could result in a loss of market shares of the Schaltbau Group. This could in turn have significantly adverse effects on the net assets, financial situation and results of operations of the Schaltbau Group.

1.1.5 The railway sector, as a key customer industry for the products of the Schaltbau Group, is on the verge of extensive technological change due to digitisation, which could result in market disruptions and require the Schaltbau Group's business model to be further adjusted.

The entities of the Schaltbau Group are providers of components and systems for the rail, automotive and capital goods industry, in particular as suppliers of components and systems in the railway sector. The product portfolio of the Schaltbau Group includes, above all, electromechanical components and systems. Its main customers are OEMs and rail operators. The customers of the Schaltbau Group have further developed their strategies in order to use and profit from increasing digitisation. In Schaltbau's view, increasing digitisation in the railway sector can lead to the electromechanical components sold by the Schaltbau Group thus far being replaced by digital components. For example, the market readiness of trains that allow for driverless operation could lead to a situation in which the driver's desks manufactured and sold by the Schaltbau Group are no longer required.

The Schaltbau Group is responding to the technological change due to digitisation by pursuing various research and development projects for digital products. For example, the most recent focus in the rail infrastructure business field of the Pintsch segment is on the development and production of digital interlocking systems and components by Pintsch GmbH for the future project “Digital Rail for Germany” which was set up by Deutsche Bahn and aims at equipping the rail infrastructure with new digital train control and safety systems and digital interlockings. Previous development projects in the Pintsch segment included, inter alia, the further development and approval of the switching system for computer-aided level crossing technology in Germany and the design of standardised LED signal lights. In the Bode segment, among other things, an innovative door system was developed at Gebr. Bode GmbH & Co. KG which, based on a sensor in both the inside and outside area – in addition to the actual door control – makes it possible to perform safety-related supervisory functions. For the Schaltbau Group, the development of digital products entails high upfront outlays for research and development costs and marketing expenses, and requires investments in the relevant production facilities and processes. Moreover, the growing share of digital products will lead to increased competitive pressure. Competitors whose development of digital products is already at a more advanced stage than the Schaltbau Group’s could profit from this in particular. The trend towards digitisation could also attract new competitors with corresponding know-how that previously did not operate in the markets relevant for the Schaltbau Group.

Should the Schaltbau Group not be able to constantly adapt its product portfolio, research and development as well as its marketing strategy – in a timely manner and to the necessary extent – to technological changes caused by digitisation or otherwise, this could have materially adverse effects on the Schaltbau Group’s competitive position and business as well as its net assets, financial position and results of operations.

1.1.6 Due to its international activities, the Schaltbau Group is subject to financial, legal, tax and regulatory risks in numerous countries and jurisdictions, including the risk of a tightening of so-called local content requirements.

The Schaltbau Group operates in many different international markets and jurisdictions. This gives rise to a number of risks. These include, in particular, the requirements in the economic, legal, tax and regulatory framework conditions applicable in the individual countries as well as unexpected short-term changes to these requirements. In order to successfully market its products in the various countries, the Schaltbau Group is reliant on a correct assessment of these framework conditions. Erroneous assessments could result in the products not being accepted on certain markets or by certain target groups, the specifications not being compliant with the requirements of the target markets or agreements being concluded that are unfavourable for the Schaltbau Group. In addition, the introduction or tightening of trade restrictions and changes to tariffs or customs duties gives rise to additional risks for the business activities of the Schaltbau Group. With the increasing internationalisation of the business operations of Pintsch GmbH and SBRS GmbH in particular, the risk of legal disputes increases, especially in the project business.

So-called local content requirements are of particular relevance in this connection. These are national regulations that make the authorisation of products in a specific state or the qualification of an entity of the Schaltbau Group as a supplier for specific customers contingent – in the case of products being manufactured – on a certain added value being brought by the production in the relevant country (e.g. by means of local or national supplier parts or work performed at the assembly location). The local content requirements were broadened in recent years in several important markets of the Schaltbau Group (e.g. China and the USA). The Schaltbau Group has responded to this development by localising its production, where this is commercially reasonable, and by modifying product structures. If the companies of the Schaltbau Group are not able to meet applicable local content requirements, they run the risk of being denied authorisation to sell their products on the market or being excluded from their customer’s supplier network, thereby suffering revenue losses. A tightening of local content requirements can also lead to higher production costs if, in order to satisfy the requirements, processes have to be reorganised in an inefficient manner to ensure that part of the added value is brought in the relevant country.

Changes to the specified or other framework conditions in a country in which the Schaltbau Group carries out business activities (in particular, the tightening of local content requirements), violations by the Schaltbau Group of foreign provisions or regulatory requirements as well as other erroneous assessments as to the economic and regulatory framework conditions of the countries in which the

Schaltbau Group operates could have materially adverse effects on the net assets, financial position and results of operations of the Schaltbau Group.

1.1.7 Many of the Schaltbau Group's customers are state-owned companies. Therefore, political developments and administrative decision-making processes could have a negative impact on the success and profitability of these business relationships.

In the railway sector, the Schaltbau Group generates a significant share of its revenue with directly or indirectly state-owned customers. In some cases, this means that business decisions of these customers are politically influenced or controlled when it comes to awarding contracts. Such political influence can be seen, in particular, in the important non-European markets of the Schaltbau Group, e.g. in China. In addition, the European Union's requirements for public invitations to tender and other restrictions on awarding public contracts often allow for less flexibility than comparable private sector contracts do when it comes to contractual arrangements. Public invitations to tender are often subject to restrictions with respect to certain price conditions, contract durations, the selection of specific business partners or the possibility to contractually transfer receivables and generally involve considerable additional expenses. For example, in Italy in the year 2016 projects were for the first time put out to tender in accordance with certain newly applicable technical specifications for interoperability (TSI), which gave rise to a significant need for adjustments in connection with invitations to tender, leading to considerably higher costs for the execution of the contract. Moreover, contracts with the public sector are subject to regular reviews by the responsible authorities with respect to compliance with the applicable regulatory provisions, including those on the avoidance of anticompetitive practices, and are the subject of decision-making processes concerning the reduction of public spending.

All of the above factors can result in contracts not being awarded, already concluded contracts being renegotiated or the cooperation with the Schaltbau Group being ended without the Schaltbau Group having any means to influence this. Should the responsible authorities on the basis of their review of contractual relationships come to the conclusion that existing contracts are in violation of applicable law, this could result in fines or sanctions being imposed on the Schaltbau Group, or in the Schaltbau Group being excluded from participating in certain public invitations to tender.

The above risks also apply to the product group of bus door systems in the Bode segment. The business in this segment depends directly on the business performance of bus manufacturers and demand, which in turn is determined by the financial situation of communal transport authorities. The decisions of these authorities are also often politically motivated, meaning that orders might be delayed or withdrawn for reasons that cannot be influenced by, and do not relate to, the Schaltbau Group.

If any of the above risks materialise, this could have materially adverse effects on the results of operations and financial position of the Schaltbau Group.

1.2 Business related risks

1.2.1 The growth of the Schaltbau Group in markets where direct current is used for the generation, transmission and storage of electrical energy as well as in the area of modernisation and refurbishment of rolling stock could be smaller and/or slower than envisaged. The construction of the new production site in Velden, Germany, could be more expensive and/or take longer than anticipated.

In addition to potential for profitable growth in its core business of rail infrastructure and rolling stock, Schaltbau sees significant growth potential for business development in the medium term primarily in the relatively young and swiftly expanding battery-powered direct current ("DC") applications. In the New Energy market segment, Schaltbau offers a broad range of solutions for regenerative energy generation and decentralised energy storage applications. In the New Mobility market segment, Schaltbau focuses its activities on e-mobility and e-charging infrastructure. For the aftermarket business, Schaltbau also sees growth potential in the area of modernisation and refurbishment of rolling stock.

The Schaltbau Group might not be able to grow its sales in these markets and areas as envisaged, both due to external factors, which are not within the Group's control (including, inter alia, a deterioration of the general economic environment and a smaller and/or slower growth of the markets for New Energy, New Mobility as well as modernisation and refurbishment of rolling stock), as well as internal reasons (including, inter alia, the lack of required financial means to fund the Group's growth or the Group's inability to manage the growth effectively).

If the Group does not achieve the anticipated level of growth, this could have a material adverse effect on the Group's competitive position and prospects as well as its results of operations.

Schaltbau GmbH, a wholly owned subsidiary of the Company, is currently in the process of constructing a new production plant in Velden, Germany (so-called "NExT Factory"). With this plant, Schaltbau is aiming at creating a modern facility with a locally CO₂-free energy concept for developing and manufacturing electromechanical components such as contactors, connectors and switches for a wide range of DC applications in the industry, the rail sector and the new markets, enabling Schaltbau to enter into and further grow in new market segments and realise efficiency increases. The new plant is a key element for Schaltbau Group's targeted further growth in the the markets of New Energy, New Industry and New Mobility, which strongly rely on the use of DC applications. The completion of the new plant with the first stage of production capacity is currently scheduled for autumn 2022.

It is intended to partly finance the construction of the NExT Factory with proceeds from the issuance of the Bonds. Should the proceeds from the issuance of the Bonds be lower than envisaged, the construction of the new plant might have to be implemented in a different manner or within a longer time frame as currently planned. As with the construction of buildings in general, there is a risk that the actual costs for the construction of the new plant (including production lines and logistics center) could significantly exceed the budgeted investment amount, e.g. as a result of miscalculations. Moreover, the completion of the new plant might take longer than anticipated, meaning that the start of operations at the plant would be delayed and the additional production capacities would only become available at a later point in time, which could negatively affect the envisaged growth of Schaltbau Group in the markets of New Energy, New Industry and New Mobility on the back of the NExT Factory.

A delay of the scheduled completion of the new plant or a significant overrun of costs could therefore have a material adverse effect on the Group's business and financial position as well as results of operations.

1.2.2 In connection with the planning and implementation of projects, the Schaltbau Group is exposed to both calculation and implementation risks.

The entities of the Schaltbau Group, including in particular Pintsch GmbH, participate, as suppliers, in procurement projects of their customers in Germany and abroad. To that end, the Schaltbau Group is exposed to calculation and implementation risks, in particular with respect to the supply of products for major projects.

The success of Schaltbau Group's business depends to a large extent on the revenue-to-costs ratio being precisely calculated and projects being carried out according to plan and completed on time so that the costs remain within the range of the prices determined for the contract in question. A large number of contracts is based in part on cost calculations that are based on a range of assumptions.

Cost overruns can be caused by, among other things, inefficiencies, insufficient planning by the Schaltbau Group, miscalculations or project delays. When carrying out projects, cost overruns can arise, for example, as a result of insufficient cost control by the Schaltbau Group, insufficient monitoring of the project, inadequate implementation by the Schaltbau Group, the realisation of unforeseeable risks or as a result of unforeseen changes to the technical specifications.

If the assessment of the overall risks of a project or the calculations of income or costs turn out to be incorrect, circumstances change or projects are significantly delayed, the profits can end up being less than expected or the project or contract can potentially even lead to a loss. This risk is greater the larger and more complex the projects are. In particular in the case of major projects in the railway sector, misassessments of risks, cost overruns and project delays could thus have a material adverse effect on the Schaltbau Group's results of operations and financial position. One example where such risks have materialised is the platform screen doors (PSD) project in Brazil, which started in 2012. This project comprised the delivery of elements for platform screen doors by Pintsch Bamag Brasil Tecnologia Ferroviaria LTDT (a subsidiary of Pintsch GmbH, which is currently in liquidation and which has therefore meanwhile been deconsolidated) to Bombardier Transportation (the end customer being Metro São Paulo) for the protection of the platforms in a total volume of EUR 17.5 million. The project was materially negatively affected primarily by project delays as well as development expenses and material costs, which turned out to be higher than planned. Following a reassessment of the project, value adjustments due to provisions for impending losses in the amount of EUR 14 million had to be made in 2016, resulting in high losses for Schaltbau.

Generally, the further development of products is organised in close cooperation with or even on behalf of the Schaltbau Group's customers, which entails the risk of cost overruns and project delays being caused by overruns of scheduled product development times (time-to-market) and by insufficient specifications for newly developed products that fail to take account of differing regional customer requirements. This could result in impairment losses on capitalised development costs and could adversely affect the Group's net assets and results of operations.

Moreover, cost overruns and project delays may result in complaints and claims for damages by customers, which in turn could have an adverse effect on the reputation of the Group as well as its business and financial position.

1.2.3 The Schaltbau Group is dependent on the constant improvement and enhancement of existing products and the ability to develop new ones, in particular in connection with digitisation, as well as successfully adapting to the circumstances in foreign markets.

The Schaltbau Group faces intense competition in the markets in which it is operating and is therefore dependent on the constant improvement and enhancement of products as well as on the development of new ones.

The Schaltbau Group operates on markets which are characterised by an increasingly dynamic technological development as a result of growing levels of digitisation, consolidation of market participants and increasing price competition. Some of the competitors of the Schaltbau Group also have more extensive or superior know-how with respect to certain technologies or are already better adapted to the local circumstances and requirements in foreign markets. In this market environment, the Schaltbau Group can only operate successfully and remain competitive if it manages to keep pace with the technological progress and constantly develops new know-how and innovative products.

The Schaltbau Group also faces the risk of undesirable developments when enhancing existing products and developing new ones. For example, technical problems or planning errors could result in lengthy and costly development processes. Furthermore, after the product development stage is completed, it could be the case that the product is not desired by customers, and competitors may have developed more technologically advanced or cheaper products that are better accepted by customers. In addition, there is also the risk that enhancements or newly developed products will be delayed and that other technologies will achieve greater market acceptance by the time a development has been completed by the Schaltbau Group. Moreover, development goals of the Schaltbau Group could turn out to be too ambitious, meaning that the Schaltbau Group cannot achieve these with the technical and financial means available to it.

Should undesirable developments arise in connection with the enhancement of existing products and the development of new ones, the entry into new markets and the digitisation of products, or should competitors have more success with this process, this could result in significant costs, which could have materially adverse effects on the net assets and financial position of the Schaltbau Group. In addition, the Schaltbau Group could lose market shares and customers to competitors, which could in turn adversely affect the business and results of operations of the Schaltbau Group.

1.2.4 The Schaltbau Group is subject to procurement risks.

For the manufacturing and assembly of its products, the Schaltbau Group is dependent on the availability of certain materials, such as metals and plastics, complete parts and components as well as pre-assembled units. Should the relevant goods, which are purchased from suppliers, temporarily not be available in the required volumes (e.g. due to closures or, as a consequence of the ongoing COVID-19 pandemic, shutdowns of production facilities or reduction of production capacities of suppliers or due to extended lead times resulting from high market demand) or quality, this could impair, delay or even temporarily disrupt the production of individual products of the Schaltbau Group. This dependency on the supply of certain goods therefore entails the risk that the Schaltbau Group might not be able to finish its products and deliver them to its customers in the contractually agreed volumes in time, which could delay the implementation of projects. A delay or disruption in the supply chain could result in revenue losses and possibly long-term damage to the Group's reputation as well as contractual penalties imposed by customers or cancellations of orders. Although the Group employs the strategy of not being dependent on one supplier and, in principle, uses parts, components and pre-assembled units that can also be procured from at least one other supplier, relying on second or further suppliers can involve delivery delays and higher costs. Moreover, it cannot be ruled out that designated additional suppliers may also not be able to deliver the required parts, components or units. There is also a risk that individual

suppliers do not comply with their supply obligations, e.g. due to insufficient liquidity, and that the Schaltbau Group is not able to recover advance payments that have been made. The Schaltbau Group is also dependent on supplied parts, components and units being of the quality required, when delivered. It cannot be ruled out that quality defects will arise and be identified only after they are delivered to customers, which can involve considerable costs for Schaltbau as well as risks and damage to reputation. Moreover, the Schaltbau Group is subject to the risk of fluctuating prices for the raw materials and other goods required for the manufacturing and assembly of its products, which could result in a significant increase of production costs.

If one of the aforementioned purchasing risks materialises, this could have significantly adverse effects on the net assets, financial position and results of operations of the Schaltbau Group.

1.2.5 Products of the Schaltbau Group might have defects or might not comply with applicable regulatory standards or meet specific customer requirements, which could result in liability of the Group.

The Schaltbau Group is required to comply with a wide variety of laws, regulations and standards in each of the many jurisdictions in which it does business. This also includes new sector specific compliance standards, such as IATF 16949 certification, which defines the requirements of quality management systems, particularly in the automotive industry, and will be relevant for the manufacturing of products for automotive customers at the Group's new factory in Velden. The products offered by the Schaltbau Group must satisfy strict requirements in terms of quality and safety. Since the Schaltbau Group manufactures and sells complex and highly technical products, malfunctions or other quality defects cannot be entirely ruled out. If the products manufactured by the Schaltbau Group do not comply with applicable regulatory standards or meet specific customer requirements, this could result in liability of the Group for defects and consequential damages or claims for damages by customers of the Group in connection with product liability claims of third parties. For example, malfunctions of the products manufactured by the Schaltbau Group could result in serious injuries or even deaths of persons. As a result, Schaltbau's customers could be liable towards third parties to a significant extent and therefore have recourse against the Schaltbau Group in return. Warranty claims and claims for damages against the Schaltbau Group, including the defense against such claims, could result in substantial payment obligations and expenses that might not be covered by any existing insurance coverage or could exceed the amount of provisions recognised, which could have an adverse effect on the financial condition of the Schaltbau Group. The aforementioned risk further increases with the increasing internationalisation of the operations of the Schaltbau Group. Moreover, in the case of quality defects, there is a risk that customers will no longer purchase products from the Schaltbau Group and market acceptance of the products will decrease. This could lead to a drop in sales volumes and also damage the Schaltbau Group's reputation, and thereby adversely affect the Schaltbau Group's business and results of operations.

1.2.6 Any disruption in the operations of the Group's manufacturing facilities could adversely affect sales of certain products, which could result in loss of revenues and unforeseen costs.

The Schaltbau Group could experience disruption to its manufacturing facilities affecting its ability to manufacture and sell its products for a variety of reasons, including, among others, extreme weather, fire, pandemics and other natural disasters, accidents, technical problems, mechanical failures or material delays at suppliers. If any of those events occurred, the Group could not be certain that it would be able to shift its manufacturing operations to alternative sites in a timely manner or at all. For example, certain subsidiaries of the Schaltbau Group had to temporarily suspend or adapt their production activities due to the COVID-19 pandemic in 2020. Even where the Group is not required to suspend or otherwise adapt operations at one of its sites, production may suffer if a significant number of employees were unable to work, for example – and in light of the ongoing COVID-19 pandemic in particular – due to illness. Although the Schaltbau Group has not experienced material disruptions of its manufacturing operations for longer periods of time in the past, such disruptions cannot be excluded for the future as they are, by their nature, unforeseeable. In the event of a disruption of the manufacturing operations, the Schaltbau Group would in particular be unable to fulfill customer orders for the period of the disruption, could suffer damage to its reputation, and might lose commitments from customers, all of which could have an adverse effect on the Group's business and results of operations. Depending on the reason for the disruption, the Schaltbau Group could incur significant costs to remedy the disruption and resume product shipments, if and to the extent the costs are not covered by existing insurance coverage, which could have an adverse effect on the Group's financial condition.

1.2.7 The Schaltbau Group is subject to the risk that qualified staff and personnel in key positions will leave the Schaltbau Group and that it will not be possible to adequately replace them.

The future success of the Schaltbau Group largely depends on the continued cooperation of its executives, employees with special know-how and staff in other key positions. This holds true, first and foremost, for the R&D and sales departments. In particular, the constant enhancement of production technologies and the products of the Schaltbau Group requires qualified staff in the area of process technology and in plant engineering as well as project engineers. There is intense competition for employees with corresponding qualifications and industry knowledge. Moreover, sharply rising pay levels in a country or region may contribute to higher employee fluctuation. The Schaltbau Group therefore cannot guarantee that, in the future, it will be able to keep its executives, employees with special know-how and staff in key positions or attract new executives and employees with corresponding qualifications. The personnel risks Schaltbau is exposed to are even higher with regard to the current COVID-19 pandemic which may lead to a temporary absence of qualified personnel. The loss or absence of executives or of employees with special know-how and staff in key positions can prevent the handling of new major orders from being successfully implemented. If one of the specified risks materialises, this could have significantly adverse effects on the net assets, financial position and results of operations of the Schaltbau Group.

1.2.8 The Schaltbau Group is subject to risks from strikes or other labor law-related conflicts as well as increasing labor costs.

At most of the sites in Germany, collective bargaining agreements apply for some of the employees. Although the Schaltbau Group views its relations with employees, works councils and trade unions positively, it cannot guarantee that, once the existing collective bargaining agreements expire, new agreements will be concluded at conditions that are satisfactory for the Schaltbau Group. It can also not be ruled out that such an agreement will only be able to be reached after strikes or similar measures at certain production locations. If production is strained over a longer period of time by industrial disputes or personnel expenses, this could have significant adverse effects on the business and results of operations of the Schaltbau Group.

The personnel expense is a significant cost factor for the Schaltbau Group. A significant increase in wages due to changes of collective bargaining agreements could therefore adversely affect the Group's financial position and results of operations.

1.2.9 Should the Schaltbau Group not manage to ensure that its employees have a safe working environment, this could have materially adverse effects on the reputation of the Schaltbau Group and lead to financial losses as well as payment obligations under civil law.

Compliance with labor law-related rules and requirements for the protection of the health and safety of employees are of particular importance for the Schaltbau Group as a manufacturing undertaking and service provider. New technologies and the introduction of new work processes and machines could have unforeseeable effects on the working conditions for the employees of the Schaltbau Group and lead to a higher number of accidents. Used materials that are presently classified as harmless could also be reclassified and give rise to health concerns in the future. Insecure employment entails the risk of increased employee fluctuation, has a negative influence on the satisfaction and personal investment of the employees in safety at work and increases the operating costs and the project costs to be borne by customers. In addition, any serious workplace accidents could damage the reputation of the Schaltbau Group. This could also have a negative impact on the acquisition of new customers and on the maintenance of current customer relations. Non-compliance with the respective applicable safety regulations could result in significant fines, claims with respect to the violation of social and labor law-related standards as well as the revocation of certain licenses. The associated costs could have significantly adverse effects on the business activities as well as the net assets, financial position and results of operations of the Schaltbau Group.

1.2.10 The Schaltbau Group is subject to risks with respect to its IT systems.

The Schaltbau Group is dependent on the efficient and uninterrupted operation of its IT systems to manage numerous aspects of its business and customer and supplier relationships and to provide analytical information to its management. A disruption to the IT systems used by the Group could significantly limit the ability to manage and operate the Group's business efficiently. Furthermore, in spite of security measures such as access control systems, emergency plans, the uninterruptible power

supply of critical systems, backup systems, regular data mirroring as well as a careful selection of the staff that has access to the systems, the Schaltbau Group may not be sufficiently protected against a failure of its IT systems, unauthorised access or criminal attacks by third parties using e.g. malware or computer viruses or manipulating the Group's information technologies. As a result of an infection with a virus or malware or unauthorised access by third parties, company or business related data (e.g. data related to products, customers and suppliers) or personal data might be lost. Any disruption or failure of the Schaltbau Group's IT systems or loss of data, regardless of its internal or external cause, could materially adversely affect the Group's business and reputation, lead to a loss of knowledge, customers and sales, and possibly result in compensation claims from third parties against the Group.

1.2.11 The Schaltbau Group is exposed to risks resulting from the acquisition of companies and impairment losses.

In the past, the Schaltbau Group has also grown by way of acquiring companies, and the Group may decide to acquire or make investments in other companies, businesses and technologies from time to time in the future. Acquisitions, especially in foreign countries, are associated with various risks. These include, for example, the unexpected loss of key employees of the target company, problems integrating the target company into the financial, technical, accounting and other existing management structures of the Schaltbau Group, the loss of key customers or suppliers, unexpected additional costs (e.g. for legal advice or public-sector fees) as well as problems accessing the resources of the target company as a result of the management structures in place there. Moreover, is it not guaranteed that future acquisitions will result in benefits that offset the acquisition and integration costs. The Schaltbau Group might not be able to leverage any expected synergies, profits, enhanced geographical presence or other advantages envisaged with the acquisitions to the expected extent or within the anticipated time frame.

Furthermore, if the operative business does not develop as expected, this could result in impairment losses on goodwill, assets, investments accounted for using the equity method in the consolidated financial statements or financial assets in the Company's financial statements, which could have a negative impact on earnings.

The realisation of one or more of the aforementioned risks could have materially adverse effects on the net assets, financial position and results of operations of the Schaltbau Group.

1.2.12 The compliance systems and monitoring capabilities of the Schaltbau Group may not be sufficient to prevent violations of applicable laws, regulations and standards or to identify past violations.

The compliance systems and monitoring capabilities of the Group may not be sufficient to ensure compliance with all applicable laws, regulations and standards, to adapt quickly enough to any changes and prevent any legal violations or to identify past violations. Therefore, it can, e.g., not be completely ruled out that employees of the Group or local sales partners grant or granted benefits to third parties in the course of contract negotiations when initiating business dealings, accept or accepted unlawful benefits from third parties, or engage or engaged in similar unfair trade practices. This may be the case in particular in countries known to have a reputation for corruption. It is also possible that employees of the Group or local sales partners will cause loss or damage to the Schaltbau Group through fraud or similar crimes or other non-compliance with applicable laws, regulations and standards. Any violation of applicable laws, regulations and standards could result in substantial fines, sanctions, civil and/or criminal penalties or curtailment of operations in certain jurisdictions, and might adversely affect the financial condition and results of operations of the Schaltbau Group. In addition, actual or alleged violations could damage the Group's reputation and ability to do business.

1.2.13 There is a risk that customers of the Schaltbau Group do not settle their liabilities.

The Company's subsidiaries Gebr. Bode GmbH & Co. KG, Schaltbau GmbH, Pintsch GmbH and RAWAG sell certain of their trade receivables arising from the sale of goods against customers on a revolving basis under a factoring agreement (ABS programme) to a purchasing entity, with the credit risk being transferred to the purchasing entity. However, receivables against certain debtors cannot be sold by the aforementioned Group companies under the ABS programme due to the debtors' poor creditworthiness. Moreover, there are Group companies whose receivables are not sold under the ABS programme as they are not party to it (including, in particular, SBRG GmbH, who is primarily active in the capital-intensive project business, where it regularly has to make substantial advance performances). To that extent, there is thus a risk that outstanding receivables cannot be realised by

the Schaltbau Group, e.g. if the relevant customer becomes insolvent or enforcement is not possible due to restrictions under applicable local laws. There is also a risk that credit insurance policies or bank guarantees do not fully cover any defaulted amounts, or that in the future the Schaltbau Group, e.g. due to refinancing difficulties of credit institutions, will no longer be able to take out credit insurance policies or bank guarantees at all. In addition, the factoring agreement contains certain covenants, undertakings and a change-of-control clause, according to which the purchasing company could terminate the factoring agreement if these covenants or undertakings are breached or a change of control occurs. The hedging of the default risk through the factoring agreement would cease in such a case and significantly increase credit risks with regard to the realisation of outstanding receivables.

To the extent customers of the Schaltbau Group do not settle their liabilities and the Schaltbau Group is not covered against such payment default, this could cause liquidity bottlenecks and have adverse effects on the net assets, financial position and results of operations of the Schaltbau Group.

1.2.14 The international operations of the Schaltbau Group pose currency and money transfer risks.

The functional currency of the Group is the euro. Due to its operating activities in foreign countries (including, inter alia, the USA and China) and a significant proportion of the Group's sales transactions being concluded in foreign currencies (in particular US dollar), the Schaltbau Group is exposed to transaction risk resulting from fluctuations in currency exchange. In recent years, in particular, the exchange rates for US dollar and euro have undergone strong fluctuations, and it cannot be ruled out that this will also be the case in the future. For the Schaltbau Group, significant exchange risks may also arise from fluctuations of the exchange rates for the British pound and euro as well as the Polish zloty and euro. The appreciation of the euro relative to the relevant foreign currency could adversely affect the Schaltbau Group's results of operations and cash flow to the extent the Group is not able to manage risks resulting from currency exchange fluctuations effectively. For this reason, the Schaltbau Group is dependent on the regular monitoring of its receivables and liabilities in foreign currencies and on concluding appropriate currency hedging transactions at favourable conditions.

Moreover, in China, the free flow of capital transactions is not only restricted by government regulations but is also determined by short-term policy decisions. The Schaltbau Group therefore faces the risk that transfers of money will not take place at all or will be delayed. This can result in liquidity bottlenecks at the Schaltbau Group.

Should any of the aforementioned risks materialise, this could have adverse effects on the net assets, financial position and results of operations of the Schaltbau Group.

1.2.15 Natural disasters, terrorist attacks or other harmful events in the markets in which the Schaltbau Group operates can cause considerable losses.

Due to its international business activities, the Schaltbau Group is exposed to risks in connection with natural disasters such as, for example, earthquakes, typhoons, fires or floods. In addition, large-scale disasters, terrorist attacks, riots and unrest or other harmful events could put a strain on the business activities of the Schaltbau Group – even if its production facilities are not directly damaged – by causing a significant worsening of the economic situation in the relevant area or in a country in which the Schaltbau Group operates. Deaths caused by a disaster and the collapse of business operations or infrastructure can have indirect consequences for the Schaltbau Group if they affect employees, customers, business partners and suppliers of the Schaltbau Group, and can have a corresponding effect on production and procurement and/or put a strain on the demand for products of the Schaltbau Group. Moreover, risks, damage or related interruptions of business due to the events described above might not be insured, or sufficiently insured, or insurance cover for such risks and damage might not be available. Irrespective of the existence of insurance cover, damage to the business premises, branches, production facilities or the sales network or at third parties (e.g. suppliers) as a result of natural disasters, terrorist attacks or other harmful events could have significantly adverse effects on the business activities and therefore also on the net assets, financial position and results of operations of the Schaltbau Group.

1.2.16 The Schaltbau Group has granted some of its employees pension commitments and therefore has pension commitment liabilities. The actual costs of these liabilities could exceed current estimates.

The Schaltbau Group has granted pension commitments to its employees in the form of old-age, invalidity and dependent survivors' pension benefits and recognised provisions for these pension

commitments. The old-age pension benefits vary depending on the economic circumstances and are generally based on the employee's period of employment, salary and position held within the relevant company. The obligation to pay pensions in the future lies with the respective companies of the Schaltbau Group.

Pension provisions are measured in accordance with IAS 19 (employee benefits) using the projected unit credit method. Under this method, not only obligations relating to known vested benefits at the reporting date are recognised, but also the effect of future increases in pensions and salaries. This involves taking account of various input factors which are evaluated on a prudent basis. The calculation is based on actuarial reports which take account of biometric assumptions. Actuarial gains and losses are recognised as remeasurements directly in equity. Past service cost/income is recognised immediately through profit or loss. The service cost is reported as personnel expense and the interest component of the allocation to the pension provision is reported as part of the net interest result. The generally applicable tables were used as the basis for mortality probabilities. The interest rate applied to calculate pension provisions is based on current capital market interest rates.

No additional pension commitments have been granted to the employees of the Schaltbau Group since 31 August 2017, however long-term payment obligations continue to exist for the granted pensions. The actual developments on which the calculations are based could differ from expectations, e.g. due to changed market and economic conditions, and can thus involve higher or lower actual obligations. Due to fluctuations in the financial markets or changes to the portfolio structure of the plan assets on which the pension obligations are based, the fair value of the plan assets can increase or decrease significantly over time. Moreover, changes to the assumptions on which the valuation of the pension obligations are based can affect the net pension expense. In connection with compliance with local pension regulations in certain countries, the reduction of financing gaps in the pension plans in these countries can also be associated with a risk of increasing cash outflows. Significant changes in actual or legal developments can also make it necessary to make adjustments in the pension plans. This could lead to dissatisfaction on the part of current and former employees or even legal disputes over the existence and amount of pension claims.

Should the market conditions or legal bases for the calculation of the pension obligations change significantly, this could result in considerable additional expenses of the respective company of the Schaltbau Group and have significantly adverse effects on the net assets and financial position of the Schaltbau Group.

1.3 Financial risks

1.3.1 *Failure to comply with the terms of the Schaltbau Group's existing financing arrangements might result in an obligation to early repay debt, and the Group's leverage and debt service obligations could limit the funds it has available for growing its business, dividend payments and other measures.*

The financing arrangements of the Schaltbau Group mainly comprise a syndicated credit agreement, promissory note loan agreements and several other bilateral loan agreements with credit institutions. The terms of these arrangements require the relevant Group companies to comply with certain covenants and other obligations. For example, under the syndicated credit agreement the Company has entered into as borrower with, inter alios, certain financial institutions as lenders, it is obliged to ensure that the equity ratio, i.e. the ratio of equity to total assets, does not fall below a specified value, which is tested quarterly at the end of each quarter. The minimum value to be complied with increases successively in the course of 2021 (15% as at 31 March 2021, 16% as at 30 June 2021, 17% as at 30 September 2021, 20% as at 31 December 2021) and amounts to 25% as at each relevant reporting date thereafter. Moreover, the syndicated credit agreement stipulates that a certain adjusted EBITDA (as specified in the agreement) must be met on certain testing dates (at least EUR 5,000,000 on 31 March 2021, at least EUR 15,000,000 on 30 June 2021, at least EUR 20,000,000 on 30 September 2021 and at least EUR 30,000,000 on 31 December 2021) and that, following and excluding 31 December 2021, the leverage, i.e. the ratio of net debt to adjusted EBITDA, shall be less than or equal to 3.0:1.0. Further, the syndicated credit agreement and some of the other financing arrangements provide for certain other undertakings with respect to the Company and the other Group companies restricting, inter alia, the incurrence of additional indebtedness and the disposition over assets. In addition, several of the Group's financing agreements contain change of control clauses in favour of the respective lenders, which entitle them to terminate the respective agreements and request early

repayment of the loans and accrued interest if a change of control (as defined in the respective agreements) occurs in relation to the Company or another Group company.

If the Group does not comply with the covenants or other obligations under its financing arrangements and such non-compliance is not waived by the lenders, or if a change of control occurs, the relevant lenders will have the right to terminate the loans and require early repayment thereof, including accrued interest. Schaltbau cannot guarantee that it will at all times be able to comply with the relevant covenants. Some of the factors that could cause the Group's financial condition to deteriorate to the point that it would no longer be in compliance with the relevant covenants are beyond the Group's control. In particular, the spread of COVID-19 and the economic impact of the pandemic may increase this risk. The same holds true for a change of control, the occurrence of which the Group cannot control. Failure to comply with the covenants or other obligations under the Group's financing arrangements or the occurrence of a change of control might thus result in the Group becoming obliged to repay or refinance some or all of its indebtedness early, which could result in higher costs of financing and have a material adverse effect on the Group's liquidity and financial position. There is also a risk that alternative financing for the repayment of existing indebtedness might not be available on acceptable terms or at all (see "III.1.3.2 The Schaltbau Group's ability to raise capital in the future could be limited.").

To the extent the cash flows from operating activities are dedicated to the payment of principal and interest on the Schaltbau Group's indebtedness, they reduce the amount of cash the Group has available for other purposes, including capital expenditures, the exploitation of business opportunities, future acquisitions and other general corporate needs, as well as any future dividends.

1.3.2 The Schaltbau Group's ability to raise capital in the future could be limited.

In the future, the Schaltbau Group might need or desire to raise additional capital through capital measures or financing arrangements to finance its business and further growth or to refinance indebtedness, including any drawn amounts under the Group's syndicated credit facility, the outstanding promissory note loans and any other bilateral loans. Financing for such purposes might not be available on favourable or acceptable terms, or at all. Factors that could increase the difficulty of obtaining financing include, but are not necessarily limited to, a deterioration in general economic conditions globally or in the markets in which the Group operates, higher interest rates, a deterioration in the Group's financial results or condition, insufficient competition among banks or other potential sources of financing, and insufficient demand for securities in the debt or equity capital markets. Moreover, any capital measures proposed by the Company's executive board and supervisory board to the Company's general meeting might not be resolved by the general meeting with the required majority. For example, in the years 2019 and 2020, the executive board and supervisory board proposed the creation of a new authorised capital, but the proposal did not reach the required majority in the respective annual general meeting. Unfavourable terms of any future financing could result in higher costs and a reduction of operational flexibility. Any inability to raise additional funds as needed or desired could harm the Group's business, prevent it from realising business opportunities, from growing its business or from responding to competitive pressures, and could thus have a material adverse effect on the Group's business, results of operations and financial position.

If the Group fails to obtain alternative financing for the repayment of existing indebtedness, it may have to pursue financial restructuring, which might not be achievable and could, in the worst case, ultimately result in an insolvency of the Company. In such case, investors in the Company's securities, including the Bonds, could lose some or all of their investment.

Further, raising additional financing by way of issuing new shares or new convertible bonds can result in a dilution of existing shareholders and convertible bondholders.

1.3.3 Schaltbau Holding AG is a holding company and therefore dependent on distributions from its subsidiaries in order to finance liabilities, investments, dividends and the day-to-day business of the Schaltbau Group.

The Company is a holding company for numerous subsidiaries and does not have any cash flow from own productive operations. The Company's key assets consist in its participations in the subsidiaries and in intragroup receivables vis-à-vis its subsidiaries. Consequently, the Company is dependent on steady distributions from its subsidiaries in order to finance its liabilities, investments and the day-to-day business of the Schaltbau Group. The cash flow from the Company's subsidiaries can, however, be subject to fluctuations, e.g. due to delayed or missing payments from customers, seasonal order fluctuations, weather conditions or price fluctuations for raw materials. In addition, the Company's

general ability to distribute dividends to its shareholders in the future depends on the receipt of sufficient funds from its subsidiaries. The extent of these funds in turn mainly depends on the results of operations and financial position of the respective subsidiary. Should the subsidiaries of Schaltbau Holding AG not distribute earnings to the Company to a sufficient extent or not do so in a timely manner, this could adversely affect the liquidity of the Company, which could have materially adverse effects on the financial position of the Company.

1.4 Legal and tax risks

1.4.1 The Schaltbau Group is from time to time involved in legal disputes and proceedings, which could result in substantial payment obligations and loss of reputation.

The Schaltbau Group is, in the ordinary course of operations, regularly involved in legal disputes and proceedings, both in court and out of court, e.g. labor-related litigation, intellectual property-related litigation and disputes in relation to projects, customers or other contractual parties. Such disputes and proceedings could result in substantial payment obligations of, or costs to be borne by, the Group, which could have a negative effect on the Group's financial position. Even if successfully disposed of without direct adverse financial effect, legal disputes and proceedings could negatively impact the reputation of the Group and divert management resources from more beneficial uses.

1.4.2 The intellectual property of the Schaltbau Group and its know-how are protected and protectable to a limited extent only.

The competitiveness of the Schaltbau Group depends, to a large extent, on the effective protection of its intellectual property and technological know-how. For that purpose, the Schaltbau Group has registered or applied for a large number of patents and other intellectual property rights for its products in various countries, in particular in Germany. To the extent that recent developments and technologies of the Schaltbau Group are not protected by intellectual property rights in the various countries in which it operates, competitors are, from a legal perspective, generally free to use, independently develop and market the corresponding developments and technologies of the Schaltbau Group without restriction and without having to pay any consideration to the Schaltbau Group. Moreover, the Schaltbau Group cannot, on the basis of pending or future patent applications, guarantee that patents will be granted or that it will be able to patent current and future developments. Even if patents have been granted or are granted, there is no certainty that the scope of current or future patents is sufficiently wide to offer protection vis-à-vis third parties that is economically significant or that secures possible competitive advantages for the Schaltbau Group. In addition, third parties could contest the validity of the patent at any time by claiming that the patent lacks the required novelty or other prerequisites for patentability. The patent protection of the Schaltbau Group could be revoked or declared null and void in the case of successful objections or nullity proceedings. Furthermore, there is a risk that, within the scope of development cooperations and the manufacturing of components, third parties could obtain access to developments and know-how of the Schaltbau Group and develop similar products on this basis. This generally also applies – subject to non-compete covenants – to persons in key positions at the Schaltbau Group.

If any of the above risks materialise, this could diminish the market potential for the products of the Schaltbau Group and constitute a significant marketing disadvantage. Should the Schaltbau Group not manage to fully protect its own intellectual property and know-how, this could have materially adverse effects on its business and results of operations.

1.4.3 Products of the Schaltbau Group could infringe the intellectual property rights of third parties.

For the development, production and marketing of the Schaltbau Group's products it is crucial that, among other things, intellectual property rights of third parties are not infringed. It can, however, not completely be ruled out that the Schaltbau Group currently infringes, or in the future will, by enhancing products and developing new ones, infringe, intellectual property rights of third parties and that such third parties will, as a result, be able to assert claims against the Schaltbau Group based on the infringement of intellectual property rights. Should a third party be able to enforce a valid claim against the Schaltbau Group based on the infringement of its intellectual property rights, the Schaltbau Group could be obliged to make significant damages or royalty payments. Moreover, the Schaltbau Group could be forced to purchase the infringed technology for the future. Such an infringement could also force the Schaltbau Group to either develop new alternative product technologies or to cease using

certain technologies, which could in turn result in the development, production and marketing of certain products having to be suspended and/or discontinued. Furthermore, the Schaltbau Group could, in such a case, be forced to expedite – potentially in a very short period of time – the development of new technologies that do not infringe the intellectual property rights of third parties. This could be expensive, time-consuming or possibly effectively impracticable. In addition, in the case of patent lawsuits or other proceedings due to the infringement of intellectual property rights of third parties, considerable management resources could be tied up and significant legal defense costs incurred. The infringement of intellectual property rights of third parties by the Schaltbau Group could thus have materially adverse effects on the net assets and financial position of the Schaltbau Group.

1.4.4 The Schaltbau Group is subject to tax risks.

The Schaltbau Group operates through subsidiaries in a number of jurisdictions. The Group's business is therefore subject to the general tax environment in Germany and abroad. Changes in tax legislation or the administrative practice of tax authorities could result in higher tax liability than expected and could have adverse tax consequences for the Group. Due to the complexity of tax laws and regulations, there is a risk that their interpretation and application by the Schaltbau Group might not be correct in the view of the competent tax authorities or tax courts. Moreover, such laws and regulations might in the future change, potentially with retroactive effect, to the detriment of the Group, which could adversely affect the Group's business and financial condition.

The Schaltbau Group is regularly subject to tax audits in Germany and abroad. As a consequence of current or future tax audits or previously completed tax audits for which no final tax assessments have been issued, or as a result of possibly divergent tax law interpretations by the tax authorities or tax courts, tax loss carry-forwards could be reduced, or the Schaltbau Group could be obliged to pay additional taxes. Further, adverse rulings from the relevant tax authorities could change the Group's tax status or result in material penalties and costs, which could in turn have a materially adverse effect on the Group's financial condition and results of operations.

Moreover, in the past the recognition of "deferred tax assets" repeatedly had a positive offsetting effect on earnings. The recognition of "deferred tax assets" depends on the ability of the Schaltbau Group to generate sufficient taxable income in the future in order to use tax loss carryforwards or tax credits. A change in the estimated amounts or the future taxable income of the Schaltbau Group could require write-downs, which in turn could have adverse effects on the net assets of the Schaltbau Group.

1.5 Risks related to the profit forecast

1.5.1 The actual results of the Schaltbau Group for the current financial year 2021 could differ significantly from the profit forecast.

The profit forecast with respect to the revenue and EBIT margin of the Schaltbau Group for the current financial year 2021 is based on numerous assumptions made by the Company's management. These assumptions relate, inter alia, to commercial expectations and other external factors, including political, legal, fiscal, market and economic conditions and applicable legislation, regulations or rules, all of which are difficult to predict and are beyond the Group's control. The assumptions on which the profit forecast is based might turn out to be incomplete or inaccurate in retrospect. Accordingly, the Company might also be required to adjust its forecast during the course of the financial year 2021. In recent financial years, the Company was forced to adjust its forecasts or estimates several times. Due to these uncertainties, it is possible that the actual revenue and EBIT margin of the Schaltbau Group for the financial year 2021 will differ significantly from the projected results. The achievement of the targets set for 2021 could, for example, be jeopardised by the impacts of the ongoing COVID-19 pandemic, including, inter alia, restrictions on production activities through potential closures of Schaltbau's production sites or those of customers, the absence of employees, bottlenecks in the procurement of materials and/or a postponement or cancellation of orders, especially in the area of rolling stock. In addition, the COVID-19 pandemic may have an indirect impact due to a decline in demand as a result of the economic situation. Moreover, a delay of project acceptances by customers or unplanned exceptional depreciation, amortisation and impairment losses on intangible assets could also result in a weaker revenue and earnings performance and thus realisation of lower profit at the end of the financial year.

Should one or more of the assumptions on which the profit forecast is based turn out to be inaccurate, the actual revenue and EBIT margin of the Schaltbau Group for the financial year 2021 could differ

considerably from the forecasted results, which could have a material adverse effect on the price of the Company's shares and thereby indirectly also on the Bonds.

1.6 Risks related to the shareholder structure of the Company and the price of the Company's shares

1.6.1 Shareholders of the Company could, individually or jointly, exert influence on the resolutions adopted by the general meeting of the Company and take advantage of this to the detriment of the Company or any other shareholders of the Company.

The Company has main shareholders who, in total, hold over 60% of the share capital and voting rights of the Company. Each of the main shareholders directly holds up to 10% or more of the share capital and voting rights of the Company. The shareholders Luxempart S.A., Elrena GmbH, Hans-Jakob Zimmermann and Johannes Zimmermann are acting in concert on the basis of a shareholders' agreement and, according to the latest voting rights notifications, together hold a voting rights position of approx. 21.7%.

Based on their respective numbers of shares and voting rights held, the main shareholders could exercise a controlling influence on the adoption of resolutions by the general meeting of the Company. Resolutions of the general meeting are generally adopted with a simple majority of the present or represented votes. Resolutions such as, for example, capital increases under exclusion of the subscription rights of shareholders, the creation of authorised capital or approvals of domination and profit and loss transfer agreements or of mergers generally require the approval of at least 75% of the present or represented votes at a general meeting. Main shareholders could use a majority position or blocking minority at general meetings of the Company to adopt resolutions that might not be favourable for other shareholders or to delay, postpone or prevent resolutions that could be favourable for other shareholders. This could have materially adverse effects on the net assets and financial position of the Schaltbau Group.

1.6.2 There are risks in conjunction with the volatility of the price of the Company's shares.

The price of shares is primarily determined by the interplay between shares available for acquisition on the market and demand from investors. In the case of shares like the ordinary registered shares with no-par value (*auf den Namen lautende Stückaktien*) of the Company (the "**Shares**"), which are only to a relatively small extent in free float, low trading turnover is already sufficient to lead to greater fluctuations in the share price.

In addition, the price of the Shares is also influenced by other factors such as fluctuations in the actual or expected financial results of the Schaltbau Group or its competitors, the change or non-fulfillment of profit expectations or forecasts or estimates of investors and securities analysts with respect to the Schaltbau Group, changes to the general economic environment or changes within the shareholder structure of the Company as well as by other factors such as the change of the regulatory framework for the business activities of the Company. The volatility of stock exchange markets as a whole and general fluctuations of share prices, in particular of shares of companies operating in the same industry as the Group, can also lead to pricing pressure on the Company's Shares without there necessarily being a reason for this in the business or in the prospects of the Schaltbau Group.

Moreover, some of the Company's main shareholders could sell a larger number or all of the Shares held via the stock exchange. This could have materially adverse effects on the price of the Company's Shares. A fall in the share price can also put selling pressure on shareholders who have financed their shareholdings in whole or in part with borrowed funds or have taken positions in derivative transactions in the Company's Shares, which could also significantly adversely affect the price of the Company's Shares.

The Company's Shares were, from time to time, subject to strong fluctuations in the past. The price of the Shares could also be subject to high fluctuations in the future and be characterised by fluctuating trading volumes. Due to this volatility, the price of the Shares could fall, even in case of a positive development of the business of the Schaltbau Group. Therefore, investors face the risk of possibly losing part or all of their capital investment as a result of such price losses.

2. Risk factors relating to the Bonds

2.1 Risks related to the status and nature of the Bonds

2.1.1 *The payment obligations of the Issuer under the Bonds constitute unsecured and subordinated obligations of the Issuer, which in the event of insolvency rank junior to all present and future unsubordinated obligations of the Issuer.*

Pursuant to § 3(a) of the terms and conditions of the Bonds (the “**Terms and Conditions**”), the obligations of the Issuer under the Bonds constitute unsecured and subordinated obligations of the Issuer, which in the event of the liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of the Issuer rank junior to all present and future unsubordinated and subordinated obligations of the Issuer (save for present and future subordinated obligations which rank and shall rank *pari passu* with the obligations of the Issuer under the Bonds), except as otherwise required by mandatory statutory law.

Therefore, in the event of an insolvency of the Issuer, any payment obligations under the Bonds would rank junior to all present and future unsubordinated obligations of the Issuer, i.e. no amounts would be payable to the holders of the Bonds (the “**Bondholders**”) until the claims of all unsubordinated creditors of the Issuer, which rank senior to the obligations under the Bonds, have first been satisfied in full. No security is provided by the Issuer or any other person securing rights of the Bondholders. In case of an insolvency of the Issuer, any payment obligations under the Bonds would therefore also be effectively subordinated to all of the Issuer’s secured subordinated indebtedness, to the extent of the value of the collateral securing such indebtedness. Moreover, in an insolvency of the Issuer, the Bondholders would only be eligible to participate with their (subordinated) claims in the proceedings and to register them in the insolvency table if and once the Bondholders are requested to do so by the insolvency administrator.

As a result of such subordination, depending on the amount of the Issuer’s other unsubordinated obligations and secured subordinated obligations, the Bondholders will, in an insolvency scenario, most likely not receive any payments at all on any outstanding claims under the Bonds.

2.1.2 *Investors in the Bonds will be subject to risks with the conversion of the Bonds into Shares of the Issuer. The market price of the Bonds will depend primarily on the price of the Shares of the Issuer and Bondholders may receive such Shares at a time when the conversion price is substantially higher than the prevailing share price.*

The risks for an investor relating to an investment in mandatorily convertible securities are generally higher than the risks faced in connection with an investment in convertible bonds without a mandatory conversion feature. An investor in the Bonds will not receive any cash payments on the principal amount of the Bonds (i.e. the Bonds will not be redeemed), but will in any case (also in case of an insolvency of the Issuer) at the latest at maturity of the Bonds receive Shares of the Issuer, either upon voluntary conversion or mandatory conversion of the Bonds in accordance with the Terms and Conditions. Accordingly, investors in the Bonds will, following conversion of their Bonds into Shares, as shareholders be exposed to the risk of suffering a total loss of the capital invested in the event of insolvency or liquidation of the Issuer.

Prospective investors should be aware that the market price of the Bonds will depend primarily on the price of the underlying Shares. In addition, the market price of the Bonds will, inter alia, be influenced by the implied volatilities of the Shares and credit spread risks for the Issuer. A decline or expected decline in the price of the Shares may result in a decline of the market price of the Bonds. In the event that the price of the Shares is below the conversion price at conversion, the Bondholders are obliged to accept delivery of the Shares at the conversion price, which might be substantially higher than the prevailing share price at conversion. The more the price of the Shares falls below the conversion price and the shorter the time period to maturity of the Bonds, the greater the risk of a material decline in the market price of the Bonds. An investor in the Bonds therefore faces almost the same risks as an investor in the Shares. If the value of the Shares received upon conversion was substantially lower than the price paid for the Bonds at the time of their purchase, investors in the Bonds could lose all or part of their investment in the Bonds.

2.1.3 The Issuer is not prohibited from incurring indebtedness which may rank senior to or pari passu with the obligations under the Bonds.

The Terms and Conditions of the Bonds do not restrict the Issuer's ability to incur additional indebtedness ranking senior to or *pari passu* with the obligations under the Bonds. The incurrence of any such additional indebtedness may therefore further reduce the likelihood that the Bondholder might, in the event of an insolvency of the Issuer, receive any payments at all (see "*III.2.1.1 The payment obligations of the Issuer under the Bonds constitute unsecured and subordinated obligations of the Issuer, which in the event of insolvency rank junior to all present and future unsubordinated obligations of the Issuer.*").

2.1.4 Bondholders will have no shareholder rights prior to conversion.

Bondholders will not be shareholders of the Issuer prior to conversion of their Bonds into Shares. Bondholders will not have any voting rights, any right to receive dividends or other distributions or any other rights with respect to the Shares underlying their Bonds until such time, if any, as of which Bondholders convert their Bonds into Shares and such Shares are delivered to the relevant Bondholders.

2.1.5 Shareholders who do not participate in the subscription offer of the Bonds can be significantly diluted as a result of the conversion of the Bonds into Shares.

Subscription rights to the Bonds which have not been exercised during the subscription period will lapse. If a shareholder does not exercise its subscription right in the subscription offer, the participation quota of this shareholder will be diluted if Bondholders exercise their conversion right in accordance with the Terms and Conditions prior to maturity or the Bonds are mandatorily converted into Shares at maturity.

2.2 Risks related to the characteristics and certain terms of the Bonds

2.2.1 Bondholders will only have limited anti-dilution protection through conversion price adjustments.

The conversion price at which the Bonds are converted into Shares will only be adjusted in the events and to the extent provided under the Terms and Conditions. Such events include, among others, rights issues, a capital increase from conversion of the Company's capital reserve or retained earnings, a share split or combining of shares, a payment of dividends, and a merger, transferring merger, split-up or spin-off. The adjustment of the conversion price in such events aims to neutralise or limit the dilution triggered by the relevant event and is therefore aimed to protect the Bondholders. No adjustments will, e.g., be made in relation to the issuance of Shares, stock options or convertible participation rights and/or stock ownership programmes for any members of the executive board and/or employees of the Issuer. Events in respect of which no adjustment of the conversion price is made may adversely affect the value of the Bonds and the underlying Shares.

2.2.2 The Terms and Conditions do not provide for a termination right of Bondholders.

In accordance with the nature of the Bonds as mandatory convertible bonds and their treatment as equity pursuant to IFRS, the Terms and Conditions do not provide for any events of default and related rights of Bondholders to declare their Bonds due and demand immediate redemption thereof at the principal amount together with any accrued interest. Accordingly, Bondholders would, under the Terms and Conditions (with the exception of any mandatory statutory termination rights), not be entitled to a termination right in case the Issuer does not comply with its payment obligations under the Bonds or applies for the opening of insolvency proceedings, as is usually the case for bonds without a mandatory conversion feature. Thus, Bondholders will in any case, upon mandatory conversion, become shareholders of the Issuer.

2.2.3 The Terms and Conditions can be amended by majority resolution of the Bondholders with binding effect for all Bondholders.

The Terms and Conditions of the Bonds may be amended by majority resolution of the Bondholders and a Bondholder is subject to the risk of being outvoted by a majority resolution of the Bondholders. The rules pertaining to resolutions of Bondholders are set out in the German Act on Debt Securities (*Schuldverschreibungsgesetz*, "**SchVG**") and are largely mandatory. The required participation of Bondholder votes (quorum) is principally set at 50% of the aggregate principal amount of outstanding

Bonds. In case there is no sufficient quorum, there is no minimum quorum requirement at a second meeting (unless the resolution to be passed requires a qualified majority, in which case Bondholders representing at least 25% of outstanding Bonds by principal amount must participate in the meeting or voting). Pursuant to the SchVG the relevant majority for Bondholders' resolutions is generally based on votes cast, rather than on the aggregate principal amount of the Bonds outstanding, therefore, any such resolution may effectively be passed with the consent of less than a majority of the aggregate principal amount of the Bonds outstanding. As such majority resolution is binding on all Bondholders, certain rights of a Bondholder against the Issuer under the Terms and Conditions of the Bonds may be amended or reduced or even cancelled. Since the Terms and Conditions of the Bonds provide that the Bondholders are entitled to appoint a representative by majority resolution, it is possible that a Bondholder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions of the Bonds against the Issuer, such right passing to the Bondholders' representative who is then exclusively responsible to claim and enforce the rights of all the Bondholders.

2.3 Risks related to the exercise of the conversion right at the option of Bondholders

2.3.1 An exercise of the conversion right prior to maturity is only possible during certain limited periods.

Bondholders will, in accordance with § 8 of the Terms and Conditions, have the right to convert their Bonds into Shares of the Issuer. However, the conversion right cannot be exercised at any time, but only during certain limited periods specified in the Terms and Conditions. Subject to specific conversion periods applying in the event of a Change of Control, a Take-over Bid or Conditional Take-over Bid (each as defined in § 11(c) of the Terms and Conditions) and in the event of a conversion of Bonds in an aggregate principal amount of at least EUR 100,000 (which will generally be possible in the period from the issue date to and including the tenth business day prior to the maturity date), a conversion of Bonds prior to maturity will, for cost reasons, generally only be possible in a limited period of ten business days prior to each Quarterly Conversion Date (as defined in § 1 (c) of the Terms and Conditions). Thus, Bondholders who hold Bonds in a smaller aggregate principal amount will have to wait up to three months until the next Quarterly Conversion Date to be able to convert their Bonds.

2.3.2 There is a risk that the Issuer may be prevented from issuing and/or delivering Shares when conversion rights are exercised.

It cannot be excluded that the Issuer is legally prevented from issuing and/or delivering Shares when conversion rights are exercised by Bondholders. In such case, the relevant Bondholder has no right to receive Shares of the Issuer and the Issuer is, in accordance with the Terms and Conditions, obliged to pay a cash settlement amount to the Bondholder in lieu of the delivery of Shares. As a consequence, the Bondholder would not become a shareholder of the Issuer and, if he/she wishes to participate in a possible further increase in the value of the Issuer's Shares, would have to otherwise acquire Shares of the Issuer (e.g. via the stock exchange). It cannot be ruled out that the investor may not be able to do so, for example due to existing shareholders not being willing to sell their Shares.

2.3.3 There is a risk that Shares to be delivered by the Issuer upon conversion of Bonds will not be admitted to trading for a certain period of time after their delivery.

The Shares to be delivered upon conversion of Bonds will derive from the contingent capital created by resolution of the Company's general shareholders' meeting on 14 June 2016 (*Bedingtes Kapital II*) (the "**Contingent Capital II**"). The Issuer intends to apply for the admission to trading of the shares from the Contingent Capital II and their inclusion in the existing listing of the Issuer's Shares on the regulated market of the Frankfurt Stock Exchange (Prime Standard) and the regulated market of the Munich Stock Exchange shortly after the issuance of the Bonds and by the first Quarterly Conversion Date (i.e. 12 May 2021) at the latest, to the extent such admission to trading is possible without the publication of a securities prospectus. Pursuant to Article 1(5) subparagraph 1 lit. a) of the Prospectus Regulation, the obligation to publish a securities prospectus for the admission to trading of new shares does not apply to the extent the relevant shares represent, over a period of 12 months, less than 20% of the number of shares of the same class already admitted to trading on the same regulated market. The total number of Shares that the Bondholders would initially be entitled to receive upon conversion of all 60,000 Bonds amounts to 2,068,965, corresponding to approx. 23.37% (and thus more than 20%) of the 8,852,190 Shares into which the Issuer's current share capital is divided. The Issuer can therefore not guarantee, in particular until the end of May 2022, but also beyond, that all Shares to be delivered by the Issuer upon conversion of Bonds will, already at the time of their delivery or shortly thereafter, be admitted to

trading and included in the existing listing of the Issuer's Shares on the regulated market of the Frankfurt Stock Exchange (Prime Standard) and the regulated market of the Munich Stock Exchange. Therefore, it cannot be excluded that Bondholders will receive Shares that will not be admitted to trading for a certain period of time after their delivery and will only be included in the existing listing of the Issuer's Shares on the regulated market of the Frankfurt Stock Exchange (Prime Standard) and the regulated market of the Munich Stock Exchange at a later point in time once this can be effected by the Issuer without the requirement for a securities prospectus.

2.3.4 There will be a time lag between the exercise of the conversion right and actual delivery of the underlying Shares, during which the price of the Shares may decline.

There will be a time lag between the exercise of the conversion right by a Bondholder and the delivery of the underlying Shares (the "**Settlement Shares**") by the Issuer. The price of the Issuer's Shares may decline in the period during the exercise of the conversion right and the delivery of the Settlement Shares, which would result in the value of the Settlement Shares at the time of their delivery being lower than the price of the Shares at the time of the exercise of the conversion right.

2.4 Risks related to the market in the Bonds

2.4.1 The market price of the Bonds will depend on numerous factors, including in particular the risk of fluctuation in the price of the Shares.

The market price of the Bonds is expected to be affected among others by fluctuations in the market price of the Shares, and it is impossible to predict whether the price of the Shares will rise or fall. Indeed, the value of the Bonds is directly influenced by the value of the underlying Shares. The delta of the equity option embedded in the Bonds changes over time and measures the theoretical impact of a change in the share price on the convertible price. The actual market value of the Shares may not move according to this ratio and there could also be exogenous variables that move both the Shares and Bonds of the Issuer in the same direction. Trading prices of the Shares will be influenced by, among other things, the (historical and anticipated) consolidated financial position of the Issuer, its (historical and anticipated) consolidated results of operations and economic, financial, political and other factors. Any decline in the market price of the Shares may have an adverse effect on the market price of the Bonds. The future issue of Shares by the Issuer or the disposal of Shares by any principal shareholder of the Issuer or the perception that such issues or sales may occur may significantly affect the trading price of the Bonds and the Shares. The volatility of the Shares, an increase of the applicable interest rate, any real or perceived changes in the credit risk, or an increase in dividend payments may also adversely affect the market value of the Bonds. The price at which a Bondholder will be able to sell the Bonds prior to maturity may therefore be at a discount, which could be substantial, from the issue price paid by such Bondholder.

2.4.2 There may be no active public trading market for the Bonds.

The Bonds are rather complex securities which may not be widely distributed and for which there is currently no active trading market. Application is intended to be made to the Frankfurt Stock Exchange for the Bonds to be included into trading on the Open Market (*Freiverkehr*). Regardless of whether the Bonds are included into trading or not, there can be no assurance regarding (i) the future development of a market for the Bonds, (ii) the ability of Bondholders to sell their Bonds and (iii) the price at which Bondholders may be able to sell their Bonds.

An active trading market might not develop or sustain. Illiquidity may have a severely adverse effect on the market value of the Bonds. The Bonds may trade at a discount to their initial offering price, depending on, inter alia, the trading price of the Shares of the Issuer, prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Therefore, investors may not be able to sell their Bonds easily or at all, or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

IV. GENERAL INFORMATION

1. Subject matter of this Prospectus and responsibility

This prospectus (the “**Prospectus**”) relates to the public subscription offer (the “**Subscription Offer**”) in the Federal Republic of Germany (“**Germany**”) of 60,000 subordinated mandatory convertible bonds in bearer form ranking *pari passu* among themselves with an aggregate principal amount of EUR 60,000,000.00, a denomination of EUR 1,000.00 each and a nominal interest rate of 0.5% p.a., maturing on 30 September 2022 (the “**Bonds**”), to be issued by Schaltbau Holding AG, Munich, Germany (the “**Company**” or the “**Issuer**” and collectively with its subsidiaries “**we**”, “**Schaltbau**”, the “**Group**” or the “**Schaltbau Group**”). The Bonds are initially convertible into up to 2,068,965 ordinary registered shares with no-par value (*auf den Namen lautende Stückaktien*) of the Company, each with a notional interest in the share capital of EUR 1.22 (the “**Shares**”). The International Securities Identification Number (“**ISIN**”) of the Bonds is DE000A3E5FV1.

The Subscription Offer will be made by the Company exclusively to the holders of the Company’s Shares (ISIN DE000A2NBTL2).

The Company assumes responsibility for the contents of the Prospectus and declares, to the best of its knowledge, that the information contained in this Prospectus is in accordance with the facts and that this Prospectus makes no omission likely to affect its import.

The Company can be contacted at its business address Hollerithstraße 5, 81829 Munich, Germany, by telephone +49 89 93005-0, or via its website <https://schaltbaugroup.com>. The Company’s Legal Entity Identifier (LEI) is 52990099LIMD4VYT3175.

The information in the Prospectus will not be updated subsequent to the date hereof except for any significant new event or significant error or inaccuracy relating to the information contained in the Prospectus that may affect an assessment of the securities and occurs or comes to light following the approval of this Prospectus but before the end of the subscription period of the Subscription Offer. These updates must and will be disclosed in a prospectus supplement in accordance with Article 23 of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Investors who submitted purchase orders before the supplement is published have the right to withdraw these offers to purchase within two working days of the publication of the supplement.

2. Warning regarding the validity of the Prospectus

The validity of the Prospectus will expire at the end of the subscription period of the Subscription Offer (i.e., 16 April 2021, 12:00 hours (CEST)). The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.

3. Statement relating to the approval of the Prospectus

The Prospectus has been approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, “**BaFin**”), Marie-Curie-Straße 24-28, 60439 Frankfurt am Main, Germany (telephone +49 228 4108-0, website www.bafin.de), as competent authority under the Prospectus Regulation.

BaFin only approved this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation.

Such approval should not be considered as an endorsement of the Company or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of the Prospectus Regulation.

4. Forward-looking statements

The Prospectus contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts or events or to facts or events as of the date of the

Prospectus. This applies, in particular, to statements in the Prospectus containing information on the Company's future earnings capacity, plans and expectations regarding its business growth and profitability, and the general economic conditions to which it is exposed. In some cases, forward-looking statements can be identified by the use of forward-looking terminology or subjective assessments, which may include words such as "anticipate", "continue", "could", "expect", "intend", "may", "plan", "potential", "predict", "should" and "would" or the negative of these words or other similar terms or expressions.

The forward-looking statements in the Prospectus are subject to risks and uncertainties, as they relate to future events, and are based on estimates and assessments made to the best of the Company's present knowledge. These forward-looking statements are based on assumptions, uncertainties and other factors, the occurrence or non-occurrence of which could cause the Company's actual results, including its financial condition and profitability, to differ materially from or fail to meet the expectations expressed or implied in the forward-looking statements. These expressions can be found in several sections in this Prospectus, particularly in the sections of this Prospectus describing risk factors, the Company's business and recent developments and outlook, and wherever information is contained in this Prospectus regarding the Company's intentions, beliefs, or current expectations relating to its future financial condition and results of operations, plans, liquidity, business outlook, growth, strategy and profitability, as well as the economic and regulatory environment to which the Company is subject. Forward-looking statements should not be relied upon as predictions of future events.

5. Presentation of financial information and figures; Currency presentation

5.1 Financial information

Unless otherwise indicated, the financial information contained in the Prospectus is taken or derived from the Company's English language audited consolidated financial statements prepared in accordance with IFRS for the financial year 2020 (the "**Consolidated Financial Statements 2020**"). Unless otherwise indicated, the term "financial year" refers to a financial year of the Company, i.e. a financial year beginning on 1 January in a given calendar year and ending on 31 December of the same calendar year.

Where financial information in the Prospectus is denoted as "audited", this means that it was taken from the Consolidated Financial Statements 2020.

The label "unaudited" is used in the Prospectus to indicate that financial information was not taken from the Consolidated Financial Statements 2020 but that was taken or derived from our internal accounting records or management reporting systems or is based on calculations of these figures, or recomputed or derived from the Consolidated Financial Statements 2020.

5.2 Independent Auditor's Report

The Consolidated Financial Statements 2020 were audited by PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, München (the "**Auditor**"). The Auditor is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Rauchstraße 26, 10787 Berlin, Germany, and has issued an unqualified independent auditor's report (*uneingeschränkter Bestätigungsvermerk des unabhängigen Abschlussprüfers*) on the Consolidated Financial Statements 2020 (the "**Auditor's Report**").

5.3 Alternative performance measures

In the Prospectus, we present certain alternative performance measures (APM) which are not defined by, and are not recognised measures under, IFRS (the "**Non-IFRS Measures**") and which are used by the Company's management as financial measures to monitor the performance of the Schaltbau Group. The Non-IFRS Measures have been derived from the Consolidated Financial Statements 2020 or taken or derived from the Company's accounting records or management reporting systems. However, the usefulness of these Non-IFRS Measures is subject to the following limitations: We may use these Non-IFRS Measures differently than other companies in our industry, which use similar non-IFRS measures. The Non-IFRS Measures may not be comparable to measures used by other companies due to differences in the way of calculation even if such measures use similar terminology. The measures we use should not be considered as an alternative to any performance measure derived in accordance with IFRS or to net cash provided by (used in) operating activities (net cash flow) as a measure of liquidity.

Furthermore, the Non-IFRS Measures are not meant to be indicative of future results. The Non-IFRS Measures have limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of Schaltbau's results as reported under IFRS. They may exclude or include amounts that are excluded or included, as applicable, in the calculation of the most directly comparable measures in accordance with IFRS. The Non-IFRS Measures should be considered in conjunction with the Financial Statements prepared in accordance with IFRS and the respective notes thereto. The Non-IFRS Measures contained in the Prospectus are defined as follows:

- We define "**EBITDA**" as "Profit/loss before financial result and taxes (EBIT)" before depreciation and amortisation. We present "EBITDA" because we are of the opinion that the measure is helpful to investors in assessing the Group's operational performance.

TEUR	Financial year 2020 (audited)	Financial year 2019 (audited)
Profit/loss before financial result and taxes (EBIT)	21,722	17,184
Depreciation and amortisation	20,988	15,470
EBITDA	42,710	32,654

- We define "Profit/loss before financial result and taxes (**EBIT**)" as earnings before interest and taxes. We present "EBIT" as an indicator to assess our operating result excluding our financial result and income taxes.
- We define "**EBIT margin**" as EBIT divided by "Revenue" (expressed as a percentage of "Revenue"). We present "EBIT margin" as an indicator to assess the profitability of our external revenue.

	Financial year 2020 (audited)	Financial year 2019 (audited)
Profit/loss before financial result and taxes (EBIT) (TEUR)	21,722	17,184
Revenue (TEUR)	502,343	513,708
EBIT margin (%)	4.3	3.3

- We define "Profit/loss before tax" ("**EBT**") as earnings before income taxes. We present "EBT" as an indicator to assess our operating result excluding income taxes.
- We define "**Capital Employed**" as intangible assets plus property, plant and equipment plus other investments plus working capital plus investments valued at equity. We present "Capital Employed" as a measure for our (potential) liquidity and capital efficiency.

5.4 Information on currencies

In the Prospectus, "euro", "EUR" and "€" refer to the single European currency adopted by certain participating Member States of the European Union, including Germany. "TEUR" refers to thousand euros.

The Company's principal function currency is the euro and it prepares its financial statements in euro.

5.5 Negative numbers, rounding

Numbers in parentheses or numbers labelled "negative" in the Prospectus denote a negative amount. Certain numerical data, financial information and data (including percentages) in the Prospectus have been rounded according to established commercial standards. As a result, the aggregate amounts (sum totals or sub-totals or differences or if numbers are put in relation) in the Prospectus may not correspond in all cases to the amounts contained in the underlying (unrounded) figures appearing in the Prospectus. Furthermore, in tables and charts, these rounded figures may not add up exactly to the totals contained in the respective tables and charts. In respect of financial information set out in the following tables, a dash ("—") indicates that the relevant figure is not available, while a zero ("0") indicates that the relevant figure is available but has been rounded to or equals zero.

6. Documents incorporated by reference

The following information is incorporated by reference into the Prospectus in accordance with Article 19 (1) lit. d and lit. e of the Prospectus Regulation:

- The English language Consolidated Financial Statements 2020 comprising of the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, the consolidated statement of changes in equity and the notes to the consolidated financial statements included in the pages 92 to 160 of the document “Annual Report 2020” available under <https://ir.schaltbaugroup.com/websites/schaltbau/English/4410/financial-reports.html>
- The Auditor’s Report issued with respect to the Consolidated Financial Statements 2020 included in the pages 162 to 167 of the document “Annual Report 2020” available under <https://ir.schaltbaugroup.com/websites/schaltbau/English/4410/financial-reports.html>. Although the Auditor has also audited and, in the Auditor’s Report made reference to, the Group Management Report 2020, it is neither included in nor forms part of the Prospectus.

7. Documents available for inspection

For as long as this Prospectus is valid, the following documents will be available for inspection during regular business hours at the Company’s offices at Hollerithstraße 5, 81829 Munich, Germany, by telephone +49 89 93005-0, or via its website <https://schaltbaugroup.com>:

- The Company’s articles of association (the “**Articles of Association**”);
- the Consolidated Financial Statements 2020; and
- the Auditor’s Report.

V. DESCRIPTION OF THE BONDS

1. Type and class, currency, governing law, form and representation

The Bonds are convertible bonds with an aggregate principal amount of EUR 60,000,000.00 and a denomination of EUR 1,000.00 each, maturing on 30 September 2022 (the “**Maturity Date**”). The Bonds are governed by German law and constitute bonds in bearer form pursuant to Section 793 et seqq. of the German Civil Code (*Bürgerliches Gesetzbuch*) and will be represented by a global certificate deposited with Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Germany (“**Clearstream**”).

The International Securities Identification Number (“**ISIN**”) of the Bonds is DE000A3E5FV1.

2. Status

Pursuant to § 3(a) of the Terms and Conditions, the obligations of the Issuer under the Bonds constitute unsecured and subordinated obligations of the Issuer, ranking *pari passu* among themselves and in the event of the liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of the Issuer ranking junior to all present and future unsubordinated and subordinated obligations of the Issuer (save for present and future subordinated obligations which rank and shall rank *pari passu* with the obligations of the Issuer under the Bonds), except as otherwise required by mandatory statutory law, so that in any such event no amounts would be payable in respect of the Bonds until the claims of all unsubordinated and subordinated creditors of the Issuer which rank senior to the claims under the Bonds have first been satisfied in full.

3. Transferability of the Bonds

There are no restrictions on the free transferability of the Bonds.

In addition, the Issuer and its affiliates may at any time purchase Bonds, in the open market or otherwise.

4. Rights attached to the Bonds

The rights and obligations of the Issuer arising from the Bonds are governed by the Terms and Conditions (see “*VI. Terms and Conditions of the Bonds*”). The rights of the holders of the Bonds (the “**Bondholders**”) are limited by the Terms and Conditions beyond what results from applicable law.

Set out below is a summary description of certain provisions of the Terms and Conditions, which does not purport to be complete and is qualified in its entirety by reference to the full text of the Terms and Conditions. Capitalised terms used but not defined in this section have the meanings ascribed to such terms in the Terms and Conditions.

4.1 Nominal interest rate, due dates for interest, provisions relating to the interest payable, yield

The Bonds will bear interest from and including the Issue Date at a fixed rate of 0.5% of their principal amount per annum. Interest will be payable annually in arrear on 30 September of each year (the “**Interest Payment Date**”), with the first payment to be made on 30 September 2021 (short first coupon).

In accordance with § 4(b) of the Terms and Conditions, interest will cease to accrue on the Bonds (i) in the event of mandatory conversion at maturity pursuant to § 5(a) of the Terms of Conditions, as of the end of the day immediately preceding the Maturity Date, (ii) in the event of a voluntary conversion by a Bondholder pursuant to § 8(b) of the Terms of Conditions (save for a voluntary conversion in the event of a Change of Control), as of the end of the day immediately preceding the last Interest Payment Date prior to the relevant conversion date, (iii) in the event of a voluntary conversion by a Bondholder in the event of a Change of Control, as of the end of the day immediately preceding the Change of Control Record Date, and (iv) in the event of an early mandatory conversion by the Issuer pursuant to § 5(b) of the Terms of Conditions, as of the end of the day immediately preceding the Optional Mandatory Conversion Date (for clarification, the Issuer will additionally have to pay the Make-whole Interest Amount in this event).

The effective yield of the Bonds equals their coupon of 0.5% p.a. less any costs to be borne by the individual investor in connection with the subscription, holding and a potential sale of the Bonds (including any expenses and fees charged by the custodian banks of the individual investor).

Pursuant to § 16 of the Terms of Conditions, the period for presentation of the Bonds is 10 years. The period of limitation for claims under the Bonds presented during the period for presentation is two years calculated from the expiration of the relevant presentation period.

4.2 Provisions relating to the conversion of the Bonds into Shares

4.2.1 Mandatory conversion at maturity pursuant to § 5(a) of the Terms and Conditions

To the extent the Bonds have not previously been converted, the Bonds will be mandatorily converted into Shares of the Issuer at maturity at the relevant Conversion Ratio. Bondholders can therefore not expect a redemption of the Bonds, but will instead receive Shares of the Issuer at the latest at maturity.

4.2.2 Conversion right of Bondholders prior to maturity pursuant to § 8(a) and § 11 of the Terms and Conditions

Each Bondholder has the right to voluntarily convert each Bond already prior to maturity in whole, but not in part, at the Conversion Price into Shares of the Issuer on any Business Day during the Conversion Period.

As defined more specifically under § 1(c) of the Terms and Conditions, “**Conversion Period**” means means the following periods:

- (i) the period from and including the tenth business day prior to a Quarterly Conversion Date until and including the business day prior to such Quarterly Conversion Date;
- (ii) in case of an Extraordinary Conversion, the period from and including the Issue Date to and including the tenth business day prior to the Maturity Date (or, if the tenth Business Day prior to the Maturity Date falls within an Excluded Period, the last Business Day prior to the beginning of this Excluded Period);
- (iii) certain specific periods applying in the event of a Change of Control, Take-over Bid or Conditional Take-over Bid.

In accordance with § 8(b) of the Terms and Conditions, the Conversion Right is validly exercised on the Conversion Date, which generally (i) is the Quarterly Conversion Date following the Submission Date, or (ii) in the case of an Extraordinary Conversion, the Business Day immediately succeeding the Submission Date (or, if such Quarterly Conversion Date or Extraordinary Conversion Date falls within an Excluded Period, the first Business Day after the end of such Excluded Period).

“**Quarterly Conversion Date**” means 12 May 2021, 12 August 2021, 12 November 2021, 12 February 2022, 12 May 2022 and 12 August 2022.

Bondholders are entitled to an “**Extraordinary Conversion**” where the aggregate principal amount of Bonds, in respect of which the Conversion Right shall be exercised by the relevant Bondholder, is equal to or greater than EUR 100,000. The limitation of the conversion possibility for amounts smaller than EUR 100,000 to four dates per year serves to reduce costs that have to be borne by the Company in connection with the technical processing of conversions of Bonds by the conversion agent. Thus, Bondholders who hold Bonds in a smaller aggregate principal amount will have to wait up to three months until the next Quarterly Conversion Date to be able to convert their Bonds.

4.2.3 Early mandatory conversion at the option of the Issuer in case of a Regulatory Event pursuant to § 5(b) of the Terms and Conditions

If, due to any change in, or amendment to, the laws or regulations of the Federal Republic of Germany or the European Union or applicable financial reporting and accounting standards, or any change in, or amendment to, an official interpretation or application of such laws, regulations or standards, which amendment or change becomes effective on or after the Issue Date, the Bonds are no longer (to be) treated as equity pursuant to IFRS, the Issuer may, subject to a period of at least 30 days’ and not more than 60 days’ prior notice to the Bondholders, procure the mandatory conversion of all, but not some only, of the outstanding Bonds for Shares at any time prior to the Maturity Date on the date of conversion

fixed by the Issuer in the notice (the “**Optional Mandatory Conversion Date**”) at the relevant Conversion Ratio.

In this case, the Issuer will pay any amounts of interest accrued and unpaid to but excluding the Optional Mandatory Conversion Date plus any amounts of interest which would have become due up to the Maturity Date (the “**Make-whole Interest Amount**”).

4.2.4 Conversion Price; Conversion Ratio

The conversion price initially amounts to EUR 29.00 per Share (the “**Conversion Price**”) and is subject to adjustments in certain events as set forth in § 10 of the Terms and Conditions.

The conversion ratio corresponds to the principal amount of a Bond of EUR 1,000.00 divided by the Conversion Price (the “**Conversion Ratio**”), i.e. initially 34.4827 Shares per Bond.

Any remaining fraction of Shares resulting from the conversion of Bonds will not be issued or delivered but will be compensated in cash proportional to the relevant fraction of the Share Price (as defined in § 1(a) of the Terms and Conditions) in accordance with § 8(c) of the Terms and Conditions.

4.3 Bondholder resolutions

Pursuant to § 17 of the Terms and Conditions, Bondholders are entitled to pass resolutions in a meeting (*Gläubigerversammlung*) in accordance with Sections 5 et seqq. of the German Act on Debt Securities (*Schuldverschreibungsgesetz – “SchVG”*) or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with Section 18 SchVG in conjunction with Sections 5 et seqq. of the SchVG.

5. Corporate resolutions on the subscription offer of the Bonds

On 29 March 2021, the Executive Board resolved, with approval of the Supervisory Board, on the basis of the authorisation to issue convertible bonds granted by the Company’s annual General Shareholders’ Meeting 2016, to offer 60,000 Bonds in an aggregate principal amount of EUR 60,000,000 for subscription to the Company’s shareholders.

6. Expected issue date

The Bonds are expected to be issued on or around 23 April 2021.

7. Delivery and admission of the Shares to be delivered upon conversion of Bonds

In accordance with § 8(c) of the Terms and Conditions, the Shares to be delivered upon conversion of Bonds will be transferred to the securities account of the relevant Bondholder no later than on the fifth Business Day (as defined in § 1(a) of the Terms and Conditions) following the relevant Conversion Date (as defined in § 8(b) of the Terms and Conditions).

The Shares to be delivered upon conversion of Bonds will derive from the contingent capital created by resolution of the General Shareholders’ Meeting on 14 June 2016 (*Bedingtes Kapital II*) (the “**Contingent Capital II**”). The Company intends to apply for the admission to trading of the shares from the Contingent Capital II and their inclusion in the existing listing of the Company’s Shares on the regulated market of the Frankfurt Stock Exchange (Prime Standard) and the regulated market of the Munich Stock Exchange shortly after the issuance of the Bonds and by the first Quarterly Conversion Date (i.e. 12 May 2021) at the latest, to the extent such admission to trading is possible without the publication of a securities prospectus. Pursuant to Article 1(5) subparagraph 1 lit. a) of the Prospectus Regulation, the obligation to publish a securities prospectus for the admission to trading of new shares does not apply to the extent the relevant shares represent, over a period of 12 months, less than 20% of the number of shares of the same class already admitted to trading on the same regulated market. The total number of Shares that the Bondholders would initially be entitled to receive upon conversion of all 60,000 Bonds amounts to 2,068,965, corresponding to approx. 23.37% (and thus more than 20%) of the 8,852,190 Shares into which the Company’s current share capital is divided. The Company can therefore not guarantee, in particular until the end of May 2022, but also beyond, that all Shares to be delivered by the Company upon conversion of Bonds will, already at the time of their delivery or shortly thereafter, be admitted to trading and included in the existing listing of the Company’s Shares on the

regulated market of the Frankfurt Stock Exchange (Prime Standard) and the regulated market of the Munich Stock Exchange. Therefore, it cannot be excluded that Bondholders will receive Shares that will not be admitted to trading for a certain period of time after their delivery and will only be included in the existing listing of the Company's Shares on the regulated market of the Frankfurt Stock Exchange (Prime Standard) and the regulated market of the Munich Stock Exchange at a later point in time once this can be effected by the Company without the requirement for a securities prospectus.

VI. TERMS AND CONDITIONS OF THE BONDS

The Terms and Conditions of the Bonds are set out below below:

Bedingungen der Wandelschuldverschreibungen (die "Emissionsbedingungen")

Die deutsche Version dieser Emissionsbedingungen ist bindend. Die englische Übersetzung dient nur zu Informationszwecken.

§ 1 Definitionen

In diesen Emissionsbedingungen haben die folgenden Begriffe die ihnen nachfolgend zugewiesene Bedeutung:

(a) Allgemeine Definitionen.

"**AktG**" bezeichnet das Aktiengesetz in seiner jeweils gültigen Fassung.

"**Aktie**" bezeichnet die auf den Namen lautende Stammaktie ohne Nennbetrag (Stückaktie) der Emittentin, am Ausgabetag mit der ISIN DE000A2NBTL2.

"**Aktienkurs**" an einem Handelstag ist

- (i) der volumengewichtete durchschnittliche Kurs für die Aktie an dem Relevanten Markt an dem betreffenden Handelstag, wie er auf Bloomberg Bildschirmseite HP (Einstellung "Weighted Average Line") oder auf einer Nachfolgesseite bzw. unter einer Nachfolgeeinstellung angezeigt wird (am Ausgabetag ist dies die Bloomberg Bildschirmseite SLT GY Equity HP), bzw.
- (ii) falls kein volumengewichteter durchschnittlicher Kurs für die Aktie von dem Bloomberg Informationssystem wie in dem vorstehenden Absatz (i) beschrieben erhältlich ist, der volumengewichtete durchschnittliche Kurs für die Aktie an dem Relevanten Markt an dem betreffenden Handelstag, wie er von dem Relevanten Markt (oder einer anderen, von einem Unabhängigen Sachverständigen festgelegten, adäquaten Quelle) hergeleitet wird, bzw.
- (iii) falls der volumengewichtete durchschnittliche Kurs für die Aktie so nicht festgestellt werden

Terms and Conditions of the Convertible Bonds (the "Terms and Conditions")

The German version of these Terms and Conditions is binding. The English translation is for information purposes only.

§ 1 Definitions

In these Terms and Conditions the following terms will have the following meaning:

(a) General Definitions.

"**AktG**" means the German Stock Corporation Act (*Aktiengesetz*) as amended from time to time.

"**Share**" means the no par value ordinary registered share of the Issuer, as at the Issue Date with the ISIN DE000A2NBTL2.

"**Share Price**" on any Trading Day means

- (i) the volume-weighted average price of the Share on the Relevant Market on the relevant Trading Day as appearing on Bloomberg screen page HP (setting "Weighted Average Line") or any future successor screen page or setting (such Bloomberg page being, as at the Issue Date, SLT GY Equity HP), or
- (ii) if no volume-weighted average price of the Share is available from the Bloomberg information system as described in clause (i) above, the volume-weighted average price of the Share on the Relevant Market on the relevant Trading Day as derived from such Relevant Market (or other appropriate source as determined by an Independent Expert), or
- (iii) if no volume-weighted average price of the Share can be so determined, the official closing

kann, der an dem Relevanten Markt veröffentlichte Börsenschlusskurs der Aktie an dem betreffenden Handelstag, bzw.

- (iv) falls der Börsenschlusskurs für die Aktie so nicht festgestellt werden kann, der letzte veröffentlichte Kurs der Aktie an dem Relevanten Markt an dem betreffenden Handelstag; bzw.
- (v) falls der Aktienkurs nicht gemäß den vorstehenden Absätzen (i) bis (iv) festgestellt werden kann, der von einem Unabhängigen Sachverständigen auf der Basis solcher Notierungen oder anderer Informationen, die dieser Unabhängige Sachverständige für maßgeblich hält, festgelegte Aktienkurs; diese Feststellung ist abschließend. Falls die Feststellung des Aktienkurses aufgegeben wird, bezieht sich der Begriff Aktienkurs in diesen Emissionsbedingungen auf einen Kurs, der den Aktienkurs (i) kraft Gesetzes oder (ii) aufgrund einer allgemein akzeptierten Marktpraxis ersetzt.

"Anleihegläubiger" bezeichnet den Inhaber eines Miteigentumsanteils (oder ähnlichen Rechts) an der Globalurkunde.

"Ausgabetag" ist der 23. April 2021.

"Berechnungsstelle" hat die in § 13(a) festgelegte Bedeutung.

"Clearingsystem" bezeichnet die Clearstream Banking AG, Frankfurt am Main ("**Clearstream Frankfurt**") oder jeden Funktionsnachfolger.

"Depotbank" ist ein Bank- oder sonstiges Finanzinstitut, bei dem der Anleihegläubiger Schuldverschreibungen auf einem Wertpapierdepotkonto verwahren lässt und das ein Konto bei dem Clearingsystem hat, und schließt Clearstream Frankfurt ein.

"Emissionsbedingungen" bezeichnet diese Bedingungen der Schuldverschreibungen.

"Emittentin" ist die Schaltbau Holding AG.

"Endfälligkeitstag" ist der 30. September 2022.

price (*Börsenschlusskurs*) of the Share on the relevant Trading Day as reported on the Relevant Market, or

- (iv) if no such official closing price of the Share can be so determined, the last reported official quotation of the Share on the Relevant Market on the relevant Trading Day, or
- (v) if the Share Price cannot be determined in accordance with clauses (i) to (iv) above, the Share Price as determined by an Independent Expert on the basis of such quotations or other information as such Independent Expert considers appropriate; any such determination will be conclusive. Any reference in these Terms and Conditions to the Share Price will include, if the reporting of the Share Price is discontinued, a reference to a quotation which replaces the Share Price (i) by operation of law or (ii) on the basis of generally accepted market practice.

"Bondholder" means the holder of a co-ownership interest (or similar right) in the Global Bond.

"Issue Date" means 23 April 2021.

"Calculation Agent" has the meaning set out in § 13(a).

"Clearing System" means Clearstream Banking AG, Frankfurt am Main ("**Clearstream Frankfurt**") or any successor in such capacity.

"Custodian" means any bank or other financial institution with which the Bondholder maintains a securities account in respect of any Bonds and having an account maintained with the Clearing System and includes Clearstream Frankfurt.

"Terms and Conditions" means these terms and conditions of the Bonds.

"Issuer" means Schaltbau Holding AG.

"Maturity Date" means 30 September 2022.

"Geschäftsjahr" bezeichnet das satzungsmäßige Geschäftsjahr der Emittentin.

"Geschäftstag" ist jeder Tag (außer einem Samstag oder Sonntag), an dem (a) das Trans-European Automated Real-time Gross-settlement Express Transfer System (TARGET2) und (b) das Clearing-system Zahlungen abwickeln, und (c) Geschäftsbanken und Devisenmärkte in Frankfurt am Main geöffnet sind.

"Globalurkunde" hat die in § 2(b) festgelegte Bedeutung.

"Handelstag" bezeichnet

- (i) für Zwecke der Bestimmung des Aktienkurses jeden Tag, an dem der Relevante Markt für die Aktien für den Handel geöffnet ist und Aktienkurse gemäß den Absätzen (i) bis (iv) der Definition dieses Begriffs ermittelt werden können; bzw.
- (ii) für Zwecke der Bestimmung eines Wertpapierkurses jeden Tag, an dem der Relevante Markt für andere Wertpapiere, Rechte oder sonstige Vermögensgegenstände zum Handel geöffnet ist und Wertpapierkurse gemäß den Absätzen (i) bis (iii) der Definition dieses Begriffs ermittelt werden können.

"Nennbetrag" hat die in § 2(a) festgelegte Bedeutung.

"Relevanter Markt" bezeichnet

- (i) im Falle der Aktie, XETRA oder, falls die Aktie im betreffenden Zeitpunkt nicht mehr in XETRA gehandelt wird, eine andere Wertpapierbörse oder einen anderen Wertpapier-Markt, an der bzw. dem die Aktie im betreffenden Zeitpunkt hauptsächlich gehandelt wird; und
- (ii) im Falle anderer Wertpapiere, Rechte oder sonstiger Vermögensgegenstände, eine andere Wertpapierbörse oder einen anderen Wertpapier-Markt, an der bzw. dem die Wertpapiere, Rechte oder sonstigen Vermögensgegenstände

"Financial Year" means the financial year as set out in the Issuer's articles of association.

"Business Day" means a day (other than a Saturday or Sunday) on which (a) the Trans-European Automated Real-time Gross-settlement Express Transfer System (TARGET2) and (b) the Clearing System settle payments, and (c) commercial banks and foreign exchange markets in Frankfurt am Main are open for business.

"Global Bond" has the meaning set out in § 2(b).

"Trading Day" means

- (i) for purposes of the determination of the Share Price, each day on which the Relevant Market for the Share is open for business and the Share Price can be determined in accordance with clauses (i) to (iv) of the definition of such term; or
- (ii) for purposes of the determination of any Security Price, each day on which the Relevant Market for any other securities, rights or other assets is open for business and Security Prices can be determined in accordance with clauses (i) to (iii) of the definition of such term.

"Principal Amount" has the meaning set out in § 2(a).

"Relevant Market" means

- (i) in the case of the Share, XETRA, or if at the relevant time the Share is no longer traded on XETRA, such other stock exchange or securities market on which the Share is mainly traded at the relevant time; and
- (ii) in the case of any other securities, rights or other assets, such stock exchange or securities market on which such other securities, rights or other assets are mainly traded at the relevant time.

im betreffenden Zeitpunkt hauptsächlich gehandelt werden.

"Schuldverschreibungen" und **"Schuldverschreibung"** hat die in § 2(a) festgelegte Bedeutung.

"Sicherungsrecht" hat die in § 3(b) festgelegte Bedeutung.

"SchVG" hat die in § 17(a) festgelegte Bedeutung.

"Tochtergesellschaft" ist jede Gesellschaft, Personengesellschaft oder jedes sonstige Unternehmen, an der bzw. dem die Emittentin direkt oder indirekt insgesamt mehr als 50% des Kapitals oder der Stimmrechte hält und die bzw. das die Emittentin vollständig in ihren Konzernabschluss einzubeziehen hat.

"UmwG" bezeichnet das Umwandlungsgesetz in seiner jeweils gültigen Fassung.

"Unabhängiger Sachverständiger" bezeichnet eine unabhängige international anerkannte Bank oder einen unabhängigen Finanzberater mit einschlägiger Expertise, die bzw. der von der Emittentin auf eigene Kosten bestellt wird, wobei die Berechnungsstelle der Unabhängige Sachverständige sein kann.

"Verwaltungsstellen" hat die in § 13(a) festgelegte Bedeutung.

"Wandlungsstelle" hat die in § 13(a) festgelegte Bedeutung.

"WpÜG" bezeichnet das Wertpapiererwerbs- und Übernahmegesetz in seiner jeweils gültigen Fassung.

"XETRA" bezeichnet das elektronische XETRA Handelssystem der Deutsche Börse AG oder dessen Rechts- oder Funktionsnachfolger.

"Zahlstelle" hat die in § 13(a) festgelegte Bedeutung.

(b) Definitionen bezüglich Zinsen.

"Zinstagequotient" bezeichnet bei der Berechnung des Zinsbetrages auf eine Schuldverschreibung für einen beliebigen Zeitraum (ab dem ersten Tag dieses Zeitraums (einschließlich) bis zum letzten Tag dieses

"Bonds" und **"Bond"** has the meaning set out in § 2(a).

"Security Interest" has the meaning set out in § 3(b).

"SchVG" has the meaning set out in § 17(a).

"Subsidiary" means any corporation, partnership or other enterprise in which the Issuer directly or indirectly holds in the aggregate more than 50 per cent. of the capital or the voting rights and which is required to be fully consolidated in the Issuer's consolidated accounts.

"UmwG" means the German Transformation Act (*Umwandlungsgesetz*) as amended from time to time.

"Independent Expert" means an independent bank of international standing or an independent financial adviser with relevant expertise appointed by the Issuer at its own expense, which may be the Calculation Agent.

"Agents" has the meaning set out in § 13(a).

"Conversion Agent" has the meaning set out in § 13(a).

"WpÜG" means the German Securities Acquisition and Take-Over Act (*Wertpapiererwerbs- und Übernahmegesetz*) as amended from time to time.

"XETRA" means the electronic XETRA trading system of Deutsche Börse AG or any legal or functional successor thereto.

"Paying Agent" has the meaning set out in § 13(a).

(b) Definitions relating to Interest.

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Bond for any period of time (from and including the first day

Zeitraums (ausschließlich)) (der "**Zinsberechnungszeitraum**"):

- (i) wenn der Zinsberechnungszeitraum der Feststellungsperiode entspricht, in die er fällt, oder kürzer als diese ist, die Anzahl von Tagen in dem Zinsberechnungszeitraum dividiert durch das Produkt aus (x) der Anzahl von Tagen in der betreffenden Feststellungsperiode und (y) der Anzahl der Feststellungsperioden, die üblicherweise in einem Jahr enden; und
- (ii) wenn der Zinsberechnungszeitraum länger als eine Feststellungsperiode ist, die Summe aus
 - (A) der Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die Feststellungsperiode fallen, in der der Zinsberechnungszeitraum beginnt, dividiert durch das Produkt aus (x) der Anzahl der Tage in der betreffenden Feststellungsperiode und (y) der Anzahl der Feststellungsperioden, die üblicherweise in einem Jahr enden; und
 - (B) die Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die nachfolgende Feststellungsperiode fallen, dividiert durch das Produkt aus (x) der Anzahl der Tage in der betreffenden Feststellungsperiode und (y) der Anzahl der Feststellungsperioden, die üblicherweise in einem Jahr enden.

Dabei gilt Folgendes:

"Feststellungsperiode" bezeichnet jede Periode ab einem Feststellungstermin (einschließlich), der in ein beliebiges Jahr fällt, bis zum nächsten Feststellungstermin (ausschließlich).

"Feststellungstermin" bezeichnet jeden 30. September.

"Zinszahlungstag" bezeichnet jeweils den 30. September eines jeden Jahres, beginnend am 30. September 2021.

of such period to but excluding the last day of such period) (the "**Interest Calculation Period**"):

- (i) if the Interest Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Interest Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (ii) if the Interest Calculation Period is longer than one Determination Period, the sum of:
 - (A) the number of days in such Interest Calculation Period falling in the Determination Period in which the Interest Calculation Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (B) the number of days in such Interest Calculation Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year.

Where:

"Determination Period" means each period from and including a Determination Date in any year to but excluding the next Determination Date.

"Determination Date" means each 30 September.

"Interest Payment Date" means 30 September in each year, commencing on 30 September 2021.

- (c) Definitionen bezüglich Wandlung und Barzahlung anstatt Lieferung von Lieferaktien im Ausnahmefall.

"Aktueller Marktwert" hat die in § 8(d)(iii) angegebene Bedeutung.

"Ausschlusszeitraum" bezeichnet jeden der nachfolgenden Zeiträume:

- (i) anlässlich von Hauptversammlungen der Emittentin den Zeitraum vom 12. Mai eines jeden Jahres (einschließlich) bis zum Geschäftstag nach der Hauptversammlung (ausschließlich) und, sofern von dem vorgenannten Zeitraum nicht erfasst, ab dem fünften Geschäftstag vor dem letzten Tag für die Anmeldung zur Hauptversammlung (einschließlich) bis zum Geschäftstag nach der Hauptversammlung (ausschließlich);
- (ii) den Zeitraum von 14 Tagen, der mit dem Ende des Geschäftsjahres der Emittentin endet; und
- (iii) den Zeitraum ab dem Tag, an dem ein Angebot der Emittentin an ihre Aktionäre zum Bezug von Aktien, Optionsrechten auf eigene Aktien oder von Schuldverschreibungen mit Wandlungs- oder Optionsrechten oder Wandlungs- oder Optionspflichten oder von Genussscheinen mit Wandlungsrechten oder –pflichten auf Aktien, in einem überregionalen Pflichtblatt einer der deutschen Wertpapierbörsen, an denen die Aktie zum Handel zugelassen ist, oder im Bundesanzeiger veröffentlicht wird (die erste Veröffentlichung ist maßgebend), bis zum letzten Tag der für die Ausübung des Bezugsrechts bestimmten Frist (jeweils einschließlich).

"Barausgleichsbetrag" hat die in § 8(d)(iii) angegebene Bedeutung.

"Barausgleichsoption-Ausübungstag" hat die in § 8(d)(ii) angegebene Bedeutung.

"Berechnungszeitraum" hat die in § 8(d)(iii) angegebene Bedeutung.

- (c) Definitions relating to conversion and cash payment in lieu of delivery of Settlement Shares in exceptional circumstances.

"Current Market Value" has the meaning specified in § 8(d)(iii).

"Excluded Period" means any of the following periods:

- (i) in connection with any shareholders' meetings of the Issuer, the period from and including 12 May in each year to but excluding the Business Day following such shareholders' meeting and, if not covered by the aforementioned period, from and including the fifth Business Day prior to the last day for notification of participation (*Anmeldung*) in the shareholders' meeting to but excluding the Business Day following such shareholders' meeting;
- (ii) a period of 14 days ending on the last day of the Financial Year of the Issuer; and
- (iii) a period commencing on the day on which an offer by the Issuer to its shareholders, inviting them to subscribe to shares, warrants on own shares or bonds with conversion or option rights or obligations or profit participation rights with conversion rights or obligations relating to shares, is published in a mandatory newspaper of one of the German stock exchanges where the Share is admitted to trading, or in the German Federal Gazette (*Bundesanzeiger*) (whichever is earlier), and ending on the last day of the subscription period (both dates inclusive).

"Cash Alternative Amount" has the meaning specified in § 8(d)(iii).

"Cash Alternative Election Exercise Date" has the meaning specified in § 8(d)(ii).

"Calculation Period" has the meaning specified in § 8(d)(iii).

"Lieferaktien" bezeichnet die in § 9(a) beschriebenen Stammaktien ohne Nennbetrag (Stückaktien) der Emittentin.

"Liefertag" bezeichnet den Tag, an dem die Emittentin die betreffenden Lieferaktien nach Maßgabe dieser Emissionsbedingungen liefert.

"Maßgebliches Wandlungsverhältnis" bezeichnet das Ergebnis (ohne Rundung und einschließlich Bruchteilen von Lieferaktien) aus der Division (a) (i) im Fall einer Pflichtwandelung den Nennbetrag je Schuldverschreibung oder (ii) im Fall einer Wahlweisen Wandelung den Gesamten Nennbetrag gemäß der jeweiligen Wandelungserklärung durch (b) den an dem Wandelungstag, Optionalen Pflichtwandelungstag oder Pflichtwandelungstag maßgeblichen Wandlungspreis (vorbehaltlich etwaiger nachfolgender Anpassungen des Wandlungspreises gemäß § 10).

"Optionaler Pflichtwandelungstag" hat die in § 5(b) angegebene Bedeutung.

"Pflichtwandelung" bezeichnet die Pflichtwandelung am Endfälligkeitstag gemäß § 5(a) beziehungsweise die vorzeitige Pflichtwandelung nach Wahl der Emittentin bei Regulatorischem Ereignis gemäß § 5(b).

"Pflichtwandelungstag" bezeichnet den fünften Geschäftstag vor dem Endfälligkeitstag.

"Regulatorisches Ereignis" bezeichnet jede Änderung oder Ergänzung der Gesetze oder Vorschriften der Bundesrepublik Deutschland oder der Europäischen Union oder der anwendbaren Rechnungslegungs- und Bilanzierungsstandards oder jede Änderung oder Ergänzung einer offiziellen Auslegung oder Anwendung dieser Gesetze, Vorschriften oder Standards, die am oder nach dem Emissionstag wirksam wird, mit der Folge, dass die Schuldverschreibungen nicht mehr als Eigenkapital gemäß IFRS zu behandeln sind.

"Sonderwandelung" bezeichnet die wirksame Ausübung des Wandlungsrechts gemäß § 8(a), wenn das Gesamtvolumen der Festgelegten Stückelung der Schuldverschreibungen, für die das Wandlungsrecht

"Settlement Shares" means no par value ordinary shares of the Issuer described in § 9(a).

"Settlement Date" means the date on which the Issuer delivers the relevant Settlement Shares in accordance with these Terms and Conditions.

"Relevant Conversion Ratio" means the result (without rounding and including fractions of Settlement Shares) of the division of (a) (i) upon a Mandatory Conversion, the Principal Amount per Bond, or (ii) upon a Voluntary Conversion, the Aggregate Principal Amount pursuant to the relevant Conversion Notice by (b) the Conversion Price in effect on the relevant Conversion Date, Optional Mandatory Conversion Date or Mandatory Conversion Date (subject to any subsequent Conversion Price adjustment in accordance with § 10).

"Optional Mandatory Conversion Date" has the meaning specified in § 5(b).

"Mandatory Conversion" means a mandatory conversion at maturity pursuant to §5(a) or an early mandatory conversion at the option of the Issuer in case of a Regulatory Event pursuant to §5(b), as the case may be.

"Mandatory Conversion Date" means the fifth Business Day prior to the Maturity Date.

"Regulatory Event" means any change in, or amendment to, the laws or regulations of the Federal Republic of Germany or the European Union or applicable financial reporting and accounting standards, or any change in, or amendment to, an official interpretation or application of such laws, regulations or standards, which amendment or change becomes effective on or after the Issue Date, with the effect that the Bonds are no longer (to be) treated as equity pursuant to IFRS.

"Extraordinary Conversion" means any valid exercise of the Conversion Right pursuant to § 8(a), where the aggregate Principal Amount of Bonds, in respect of which the Conversion Right has been

durch den jeweiligen Anleihegläubiger wirksam ausgeübt wurde, ist gleich oder größer als € 100.000.

"Sonderwandlungstag" bezeichnet in Bezug auf eine Sonderwandlung den Geschäftstag, der auf den Vorlagetag folgt.

"Vierteljährlicher Wandlungstag" bezeichnet jeweils den 12. Mai 2021, 12. August 2021, 12. November 2021, 12. Februar 2022, 12. Mai 2022 und 12. August 2022.

"Vorgesehener Liefertag" bezeichnet:

- (i) im Falle von § 11(b)(ii), den dritten Geschäftstag nach dem Eintritt des Annahmevereignisses; und
- (ii) ansonsten den fünften Geschäftstag nach dem betreffenden Wandlungstag, Optionalen Pflichtwandlungstag oder Pflichtwandlungstag.

"Vorlagetag" bezeichnet den Tag, an dem alle in § 8(b)(i) und (ii) beschriebenen Voraussetzungen erfüllt sind (oder, wenn dieser Tag kein Geschäftstag ist, den unmittelbar nachfolgenden Geschäftstag).

"Wahlweise Wandlung" bezeichnet die freiwillige Wandlung gemäß § 8.

"Wandlungserklärung" hat die in § 8(b)(i) festgelegte Bedeutung.

"Wandlungspreis" bezeichnet anfänglich € 29,00 je Lieferaktie, vorbehaltlich Anpassungen von Zeit zu Zeit nach Maßgabe dieser Emissionsbedingungen.

"Wandlungsrecht" hat die in § 8(a)(i) festgelegte Bedeutung.

"Wandlungstag" hat die in § 8(b)(iv) festgelegte Bedeutung.

"Wandlungszeitraum" bezeichnet die folgenden Zeiträume:

validly exercised by the relevant Bondholder, is equal to or greater than € 100,000.

"Extraordinary Conversion Date" means in respect of any Extraordinary Conversion the Business Day immediately succeeding the Submission Date.

"Quarterly Conversion Date" means each of 12 May 2021, 12 August 2021, 12 November 2021, 12 February 2022, 12 May 2022 and 12 August 2022.

"Scheduled Settlement Date" means:

- (i) in the case of § 11(b)(ii), the third Business Day following the occurrence of the Acceptance Event; and
- (ii) otherwise the fifth Business Day following the relevant Conversion Date, Optional Mandatory Conversion Date or Mandatory Conversion Date.

"Submission Date" means the day on which all requirements specified in § 8(b)(i) and (ii) have been fulfilled (or if such day is not a Business Day, the immediately following Business Day).

"Voluntary Conversion" means a voluntary conversion pursuant to § 8.

"Conversion Notice" has the meaning set out in § 8(b)(i).

"Conversion Price" means initially € 29.00 per Settlement Share, subject to adjustments from time to time in accordance with these Terms and Conditions.

"Conversion Right" has the meaning set out in § 8(a)(i).

"Conversion Date" has the meaning set out in § 8(b)(iv).

"Conversion Period" means the following periods:

(i) (A) falls ein Kontrollwerb (wie in § 11(c) definiert) eintritt: der Zeitraum von (einschließlich) dem Zeitpunkt, an dem die Emittentin einen Kontrollwerb gemäß § 11(a)(i) bekanntmacht, bis 16:00 Uhr (Frankfurter Zeit) an dem früheren der beiden Tage: (i) dem Kontrollwechselstichtag und (ii) dem zehnten Geschäftstag vor dem Endfälligkeitstag; und

(B) falls ein Bedingtes Übernahmeangebot (wie in § 11(c) definiert) abgegeben wird (und nur für Zwecke der Ausübung des Wandlungsrechts gemäß § 11(b)(ii)): die Bedingte Wandlungserklärungsfrist (falls einschlägig); und

(C) falls ein Übernahmeangebot (wie in § 11(c) definiert) abgegeben wird (und im Fall eines Bedingten Übernahmeangebots ausschließlich für Zwecke der Ausübung des Wandlungsrechts gemäß § 11(b)(ii)): die Übernahmeangebots-Wandlungsfrist; und

(ii) der Zeitraum ab dem zehnten Geschäftstag vor einem Vierteljährlichen Wandlungstag (einschließlich) bis (einschließlich) zum Geschäftstag vor diesem Vierteljährlichen Wandlungstag; und

(iii) im Falle einer Sonderwandlung der Zeitraum ab dem Ausgabetag (einschließlich) bis (einschließlich) zu (A) dem zehnten Geschäftstag vor dem Endfälligkeitstag oder, (B) falls dieser zehnte Geschäftstag vor dem Endfälligkeitstag in einen Ausschlusszeitraum fällt, dem letzten Geschäftstag vor Beginn dieses Ausschlusszeitraums;

dabei wird die Emittentin die Anleihegläubiger nach Maßgabe von § 14 benachrichtigen, wenn diese berechtigt sind, ihre Schuldverschreibungen gemäß Abschnitt (i) der oben genannten Definition des Wandlungszeitraums zu wandeln.

(d) Definitionen bezüglich Anpassung des Wandlungspreises.

(i) (A) if a Change of Control (as defined in § 11(c)) occurs: the period from (and including) the date on which the Issuer gives notice pursuant to § 11(a)(i) of a Change of Control, to 4.00 p.m. (Frankfurt time) on the earlier of (i) the Change of Control Record Date and (ii) the tenth Business Day prior to the Maturity Date; and

(B) if a Conditional Take-over Bid (as defined in § 11(c)) occurs (and for the purpose of any exercise of the Conversion Right pursuant to § 11(b)(ii) only): the Conditional Conversion Notice Period (if any); and

(C) if a Take-over Bid (as defined in § 11(c)) occurs (and, in the case of a Conditional Take-Over Bid only, other than for the purpose of any exercise of the Conversion Right pursuant to § 11(b)(ii)): the Take-over Bid Conversion Period; and

(ii) the period from, and including, the tenth Business Day prior to a Quarterly Conversion Date until, and including, the Business Day prior to such Quarterly Conversion Date; and

(iii) in case of an Extraordinary Conversion the period from and including the Issue Date to and including (A) the tenth Business Day prior to the Maturity Date or, (B) if such tenth Business Day prior to the Maturity Date falls within an Excluded Period, the last Business Day prior to the beginning of this Excluded Period;

provided that if the Bondholders are entitled to convert their Bonds in accordance with paragraph (i) of the definition of Conversion Period above, the Issuer shall notify the Bondholders thereof in accordance with § 14.

(d) Definitions relating to Adjustment of the Conversion Price.

"Angemessener Marktwert" hat die in § 10(p) festgelegte Bedeutung.

"Anpassungstag" hat die in § 10(l) festgelegte Bedeutung.

"Bardividende" hat die in § 10(p) festgelegte Bedeutung.

"Durchschnittlicher Marktpreis" hat die in § 10(p) festgelegte Bedeutung.

"EUREX" bezeichnet die EUREX Deutschland und ihre etwaige Rechts- oder Funktionsnachfolgerin.

"Ex-Tag" hat die in § 10(p) festgelegte Bedeutung.

"Maßgeblicher Wechselkurs" hat die in § 10(p) festgelegte Bedeutung.

"Scrip Dividende" hat die in § 10(p) festgelegte Bedeutung.

"Sonstige Wertpapiere" hat die in § 10(c) festgelegte Bedeutung.

"Spaltungsaktien" hat die in § 10(p) festgelegte Bedeutung.

"Stichtag" hat die in § 10(p) festgelegte Bedeutung.

"Verkaufsoptionswert" hat die in § 10(p) festgelegte Bedeutung.

"Wertpapierkurs" hat die in § 10(p) festgelegte Bedeutung.

- (e) Definitionen bezüglich Kontrollwechsel und Übernahmeangebot.

"Anfängliche Annahmefrist" hat die in § 11(c) festgelegte Bedeutung.

"Annahmeereignis" hat die in § 11(c) festgelegte Bedeutung.

"Annahmestichtag" hat die in § 11(c) festgelegte Bedeutung.

"Bedingtes Übernahmeangebot" hat die in § 11(c) festgelegte Bedeutung.

"Fair Market Value" has the meaning set out in § 10(p).

"Adjustment Date" has the meaning set out in § 10(l).

"Cash Dividend" has the meaning set out in § 10(p).

"Average Market Price" has the meaning set out in § 10(p).

"EUREX" means EUREX Deutschland and any legal or functional successor thereof.

"Ex Date" has the meaning set out in § 10(p).

"Relevant FX Rate" has the meaning set out in § 10(p).

"Scrip Dividend" has the meaning set out in § 10(p).

"Other Securities" has the meaning set out in § 10(c).

"Spin-off Shares" has the meaning set out in § 10(p).

"Record Date" has the meaning set out in § 10(p).

"Put Option Value" has the meaning set out in § 10(p).

"Security Price" has the meaning set out in § 10(p).

- (e) Definitions relating to Change of Control and Take-over Bid.

"Initial Acceptance Period" has the meaning set out in § 11(c).

"Acceptance Event" has the meaning set out in § 11(c).

"Acceptance Record Date" has the meaning set out in § 11(c).

"Conditional Take-over Bid" has the meaning set out in § 11(c).

"**Bedingte Wandlungserklärung**" hat die in § 11(b)(ii)(A) festgelegte Bedeutung.

"**Bedingte Wandlungserklärungsfrist**" hat die in § 11(c) festgelegte Bedeutung.

"**Bieter**" hat die in § 11(c) festgelegte Bedeutung.

"**Kontrolle**" hat die in § 11(c) festgelegte Bedeutung.

"**Kontrollerwerb**" hat die in § 11(c) festgelegte Bedeutung.

"**Kontrollwechsel**" hat die in § 11(c) festgelegte Bedeutung.

"**Kontrollwechselstichtag**" hat die in § 11(c) festgelegte Bedeutung.

"**Pflichtangebot**" hat die in § 11(c) festgelegte Bedeutung.

"**Übernahmeangebot**" hat die in § 11(c) festgelegte Bedeutung.

"**Übernahmeangebot-Wandlungsfrist**" hat die in § 11(c) festgelegte Bedeutung.

"**Übertragende Verschmelzung**" hat die in § 11(c) festgelegte Bedeutung.

"**Verschmelzungstichtag**" hat die in § 11(c) festgelegte Bedeutung.

"**Conditional Conversion Notice**" has the meaning set out in § 11(b)(ii)(A).

"**Conditional Conversion Notice Period**" has the meaning set out in § 11(c).

"**Bidder**" has the meaning set out in § 11(c).

"**Control**" has the meaning set out in § 11(c).

"**Acquisition of Ownership**" has the meaning set out in § 11(c).

"**Change of Control**" has the meaning set out in § 11(c).

"**Change of Control Record Date**" has the meaning set out in § 11(c).

"**Mandatory Offer**" has the meaning set out in § 11(c).

"**Take-over Bid**" has the meaning set out in § 11(c).

"**Take-over Bid Conversion Period**" has the meaning set out in § 11(c).

"**Transferring Merger**" has the meaning set out in § 11(c).

"**Merger Record Date**" has the meaning set out in § 11(c).

§ 2 Form und Nennbetrag

- (a) Die Emission der Emittentin von Wandelschuldverschreibungen im Gesamtnennbetrag von

€ 60.000.000,00

(in Worten: Euro sechzig Millionen),

ist in untereinander gleichrangige, auf den Inhaber lautende Schuldverschreibungen (die "**Schuldverschreibungen**" und jeweils eine "Schuldverschreibung") im Nennbetrag von je € 1.000 (der "**Nennbetrag**") eingeteilt.

- (b) Die Schuldverschreibungen sind durch eine Globalurkunde (die "**Globalurkunde**") ohne Zinsscheine

§ 2 Form and Denomination

- (a) The issue by the Issuer of convertible bonds in the aggregate principal amount of

€ 60,000,000.00

(in words: Euro sixty million)

is divided into bonds in bearer form with a principal amount of € 1,000 (the "**Principal Amount**") each, which rank pari passu among themselves (the "**Bonds**" and each a "**Bond**").

- (b) The Bonds are represented by a global bond certificate (the "**Global Bond**") without interest

verbriefte. Die Globalurkunde trägt die eigenhändigen Unterschriften von zwei Personen mit gesetzlicher Vertretungsmacht für die Emittentin oder von der Emittentin bevollmächtigten Personen und ist von der Zahlstelle oder in deren Namen mit einer Kontrollunterschrift versehen.

Einzelurkunden und Zinsscheine werden nicht ausgegeben. Der Anspruch der Anleihegläubiger auf die physische Herausgabe der Globalurkunde und die Ausgabe einzelner Schuldverschreibungen oder Zinsscheine ist ausgeschlossen.

Die Globalurkunde wird bei Clearstream Frankfurt hinterlegt und solange von Clearstream Frankfurt verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. Die Emittentin räumt Clearstream Frankfurt ein dauerhaftes, unwiderrufliches und absolutes Besitzrecht an der Globalurkunde ein. Kopien der Globalurkunde können von jedem Anleihegläubiger bei der Zahlstelle bezogen werden, sofern die jeweilige Kopie nicht selbst ein durchsetzbares Inhaberpapier darstellt.

- (c) Den Anleihegläubigern stehen Miteigentumsanteile bzw. Rechte an der Globalurkunde zu, die nach Maßgabe des anwendbaren Rechts und der Regeln und Bestimmungen des Clearingsystems übertragen werden können.

§ 3 Status der Schuldverschreibungen; Pflichtwandlung

- (a) Status der Schuldverschreibungen.

Die Schuldverschreibungen begründen nicht besicherte nachrangige Verbindlichkeiten der Emittentin, die untereinander im Rang gleich stehen und im Falle der Liquidation, der Auflösung oder der Insolvenz der Emittentin oder eines Vergleichs oder eines anderen, der Abwendung der Insolvenz der Emittentin dienenden Verfahrens nachrangig sind gegenüber allen anderen bestehenden und zukünftigen nicht nachrangigen und nachrangigen Verbindlichkeiten der Emittentin (mit Ausnahme solcher bestehenden und zukünftigen nachrangigen

coupons. The Global Bond will be signed manually by two representatives with legal authority for or duly authorised by the Issuer and will be authenticated by or on behalf of the Paying Agent.

Definitive bonds and interest coupons will not be issued. The Bondholders will have no right to request physical delivery of the Global Bond or to require the issue of definitive bonds or interest coupons.

The Global Bond will be deposited with Clearstream Frankfurt and will be held by Clearstream Frankfurt until the Issuer has satisfied and discharged all its obligations under the Bonds. The Issuer grants Clearstream Frankfurt a permanent, irrevocable and absolute possession right in the Global Bond. Copies of the Global Bond are available for each Bondholder at the Paying Agent, so long as no such copy is itself an enforceable bearer instrument.

- (c) The Bondholders will receive proportional co-ownership interests or rights in the Global Bond, which are transferable in accordance with applicable law and the rules and regulations of the Clearing System.

§ 3 Status of the Bonds; Mandatory Conversion

- (a) Status of the Bonds.

The obligations of the Issuer under the Bonds constitute unsecured and subordinated obligations of the Issuer ranking *pari passu* among themselves and in the event of the liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of the Issuer ranking junior to all present and future unsubordinated and subordinated obligations of the Issuer (save for present and future subordinated obligations which rank and shall rank *pari passu* with the obligations of the Issuer under the Bonds), except as otherwise

Verbindlichkeiten, die mit den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen im gleichen Rang stehen bzw. stehen werden), soweit zwingende gesetzliche Bestimmungen nichts anderes vorschreiben, so dass Zahlungen auf die Schuldverschreibungen erst dann erfolgen, wenn die Ansprüche aller nicht nachrangigen und nachrangigen Gläubiger der Emittentin vollständig befriedigt sind, die Ansprüchen aus den Schuldverschreibungen vorgehen. Kein Gläubiger ist berechtigt, Forderungen aus den Schuldverschreibungen gegen Forderungen der Emittentin aufzurechnen. Die Emittentin ist nicht berechtigt, Forderungen gegenüber Gläubigern gegen Verpflichtungen aus den Schuldverschreibungen aufzurechnen. Für die Rechte der Gläubiger aus den Schuldverschreibungen ist diesen keine Sicherheit durch die Emittentin oder durch Dritte gestellt; eine solche Sicherheit wird auch zu keinem Zeitpunkt gestellt werden.

(b) Pflichtwandlung

Die Schuldverschreibungen werden nach Maßgabe des § 5(a) und § 5(b) zwingend in Aktien gewandelt. Anleihegläubiger können daher grundsätzlich nicht mit einer Rückzahlung der Schuldverschreibungen rechnen, sondern werden stattdessen spätestens am Endfälligkeitstag Aktien der Emittentin erhalten.

§ 4 Verzinsung

- (a) Die Schuldverschreibungen werden ab dem Ausgabetag mit 0,5% jährlich auf ihren Nennbetrag verzinst. Die Zinsen sind jährlich nachträglich an den jeweiligen Zinszahlungstagen zu zahlen.
- (b) Der Zinslauf der Schuldverschreibungen endet wie folgt:
 - (i) Im Falle der Pflichtwandlung bei Endfälligkeit gemäß § 5(a) endet der Zinslauf am Tag unmittelbar vor dem Endfälligkeitstag.

required by mandatory statutory law, so that in any such event no amounts shall be payable in respect of the Bonds until the claims of all unsubordinated and subordinated creditors of the Issuer which rank senior to the claims under the Bonds shall have first been satisfied in full. No Bondholder may set-off any claims arising under the Bonds against any claims that the Issuer may have against it. The Issuer may not set-off any claims it may have against the Bondholders against any of its obligations under the Bonds. No security is, or shall at any time be, provided by the Issuer or any other person securing rights of the Bondholders under the Bonds.

(b) Mandatory Conversion

The Bonds are mandatorily convertible into Shares in accordance with § 5(a) and § 5(b). Bondholders can therefore not expect a redemption of the Bonds, but will instead receive Shares of the Issuer at the latest at the Maturity Date.

§ 4 Interest

- (a) The Bonds will bear interest on their Principal Amount at a rate of 0.5 per cent. per annum as from the Issue Date. Interest is payable annually in arrear on each Interest Payment Date.
- (b) Each Bond will cease to bear interest as follows:
 - (i) In case of the Mandatory Conversion at Maturity in accordance with § 5(a) the Bonds will cease to bear interest as of the end of the day immediately preceding the Maturity Date.

- (ii) Wenn ein Anleihegläubiger das Wandlungsrecht für eine Schuldverschreibung ausübt (ausgenommen bei Ausübung des Wandlungsrechts gemäß § 8(b)(iv)(B)), endet der Zinslauf der betreffenden Schuldverschreibung mit dem Ablauf des Tages, der dem letzten Zinszahlungstag vor dem betreffenden Wandlungstag unmittelbar vorangeht; falls der betreffende Wandlungstag vor dem ersten Zinszahlungstag liegt, werden die Schuldverschreibungen nicht verzinst.
- (iii) Wenn ein Anleihegläubiger das Wandlungsrecht für eine Schuldverschreibung nach Eintritt eines Kontrollwechsels gemäß § 8(b)(4)(B) ausübt, endet der Zinslauf der betreffenden Schuldverschreibung mit dem Ablauf des Tages, der dem Kontrollwechselstichtag unmittelbar vorangeht.
- (iv) Wenn die Emittentin ihr Wandlungsrecht nach Eintritt eines Regulatorischen Ereignisses gemäß § 5(b) ausübt, endet der Zinslauf der betreffenden Schuldverschreibung mit dem Ablauf des Tages, der dem Optionalen Pflichtwandlungstag unmittelbar vorangeht. Zur Klarstellung: in diesem Fall hat die Emittentin zusätzlich den Make-whole Zinsbetrag zu zahlen.
- (c) Zinsen für einen beliebigen Zeitraum werden auf der Grundlage des Zinstagequotienten berechnet.
- (ii) If a Bondholder exercises the Conversion Right in respect of any Bond (except in case of an Exercise of the Conversion Right in accordance with § 8(b)(iv)(B)), such Bond will cease to bear interest from the end of the day immediately preceding the Interest Payment Date immediately preceding the relevant Conversion Date; if the relevant Conversion Date falls before the first Interest Payment Date, the Bonds will not bear any interest.
- (iii) If a Bondholder exercises the Conversion Right in respect of any Bond after the occurrence of a Change of Control in accordance with § 8(b)(4)(B), such Bond will cease to bear interest from the end of the day immediately preceding the Change of Control Record Date.
- (iv) If the Issuer exercises its conversion right after the occurrence of a Regulatory Event in accordance with § 5(b) in respect of all Bonds, such Bonds will cease to bear interest from the end of the day immediately preceding the Optional Mandatory Conversion Date. For the avoidance of doubt: the Issuer additionally shall pay the Make-whole Interest Amount in this event.
- (c) Where interest is to be calculated in respect of any period of time, the interest will be calculated on the basis of the Day Count Fraction.

§ 5 Pflichtwandlung und Rückkauf

(a) Pflichtwandlung am Endfälligkeitstag

Soweit eine Schuldverschreibung nicht vorzeitig gewandelt oder zurückgekauft und entwertet worden ist, wird jede am Endfälligkeitstag ausstehende Schuldverschreibung zwingend am Pflichtwandlungstag zum Maßgeblichen Wandlungsverhältnis in Aktien gewandelt (abgerundet auf die nächste volle Aktie).

§ 5 Mandatory Conversion and Repurchase

(a) Mandatory Conversion at Maturity Date

Unless previously converted, or purchased and cancelled, each Bond outstanding on the Maturity Date will be mandatorily converted on the Mandatory Conversion Date into Shares at the Relevant Conversion Ratio (rounded down to the nearest full Share).

Jeder verbleibende Bruchteil einer Aktie nach einer solchen Abrundung je Schuldverschreibung wird in Geld zu einem Betrag je Schuldverschreibung ausgeglichen, der dem Produkt (gerundet auf den nächsten vollen Cent, wobei € 0,005 aufgerundet wird) des entsprechenden Bruchteils und des Aktienkurses an dem Handelstag unmittelbar vor dem Pflichtwandlungstag, wie von der Berechnungsstelle berechnet, entspricht. Die Emittentin ist nicht zur Zahlung von Zinsen auf diesen Betrag verpflichtet.

(b) Vorzeitige Pflichtwandlung nach Wahl der Emittentin bei Regulatorischem Ereignis

Im Falle des Eintritts eines Regulatorischen Ereignisses ist die Emittentin jederzeit berechtigt, durch eine vorherige Bekanntmachung an die Gläubiger gemäß § 14 innerhalb einer Frist von mindestens 30 Tagen und höchstens 60 Tagen vor dem von der Emittentin in der Bekanntmachung für die Wandlung festgelegten Tag (der "**Optionale Pflichtwandlungstag**") die Wandlung der ausstehenden Schuldverschreibungen insgesamt, jedoch nicht nur teilweise, zum Maßgeblichen Wandlungsverhältnis (je Schuldverschreibung) in Aktien (abgerundet auf die nächste volle Aktie) zu veranlassen.

Jeder verbleibende Bruchteil einer Aktie nach einer solchen Abrundung je Schuldverschreibung wird in Geld zu einem Betrag je Schuldverschreibung ausgeglichen, der dem Produkt (gerundet auf den nächsten vollen Cent, wobei € 0,005 aufgerundet wird) des entsprechenden Bruchteils und des Aktienkurses an dem Handelstag unmittelbar vor dem Optionalen Pflichtwandlungstag, wie von der Berechnungsstelle berechnet, entspricht. Die Emittentin ist nicht zur Zahlung von Zinsen auf diesen Betrag verpflichtet.

Die Emittentin zahlt in diesem Fall auch die bis dahin aufgelaufenen und nicht gezahlten Zinsen zuzüglich der Zinsbeträge, die bis zu dem Endfälligkeitstag fällig werden würden (der "**Make-whole-Zinsbetrag**").

Any such fraction of a Share so rounded down per Bond shall be compensated in cash in an amount per Bond equal to the product (rounded to the nearest full cent with €0.005 being rounded upwards) of such fraction and the Share Price on the Trading Day immediately preceding the Mandatory Conversion Date, as determined by the Calculation Agent. The Issuer will not be required to pay any interest on such amount.

(b) Early Mandatory Conversion at the Option of the Issuer in case of Regulatory Event

Upon occurrence of a Regulatory Event subject to a period of at least 30 days' and not more than 60 days' prior notice to the Bondholders in accordance with § 14, the Issuer may procure the conversion on the date fixed by the Issuer in the notice (the "**Optional Mandatory Conversion Date**") of all, but not some only, of the outstanding Bonds for Shares at (in respect of each Bond) the Relevant Conversion Ratio (rounded down to the nearest full Share).

Any such fraction of a Share so rounded down per Bond shall be compensated in cash in an amount per Bond equal to the product (rounded to the nearest full cent with €0.005 being rounded upwards) of such fraction and the Share Price on the Trading Day immediately preceding the Optional Mandatory Conversion Date, as determined by the Calculation Agent. The Issuer will not be required to pay any interest on such amount.

In this case the Issuer will also pay any amounts of interest accrued and unpaid plus any amounts of interest which would have become due up to the Maturity Date (the "**Make-whole Interest Amount**").

(c) Durchführung der Pflichtwandlung

- (i) Die Ausgabe und Lieferung der Aktien durch die Emittentin infolge Pflichtwandlung gemäß § 5(a) oder § 5(b) erfolgt anstelle der Rückzahlung des Kapitals der Schuldverschreibungen mit befreiender Wirkung für die Emittentin von der entsprechenden Verpflichtung, den Nennbetrag der Schuldverschreibungen in bar zurückzuzahlen. Demgemäß hat ein Gläubiger mit Wirkung zum Optionalen Pflichtwandlungstag bzw. Pflichtwandlungstag keine weiteren Rechte aus den Schuldverschreibungen mit Ausnahme des Anspruchs auf Ausgabe und Lieferung von Aktien gemäß § 9 und des Anspruchs auf einen Ausgleich in Geld gemäß diesem § 5(c). Keine Pflichtwandlung erfolgt hinsichtlich solcher Schuldverschreibungen, die von der Emittentin oder einem mit der Emittentin verbundenen Unternehmen gehalten werden. Schuldverschreibungen, die von der Emittentin oder einem mit der Emittentin verbundenen Unternehmen gehalten werden, sind spätestens am Pflichtwandlungstag zu bewerten.
- (ii) Zur Durchführung der Pflichtwandlung müssen die Schuldverschreibungen, für die die Pflichtwandlung durchgeführt wird, entweder (i) auf das Depot der Wandlungsstelle bei dem Clearingsystem übertragen werden, oder (ii) einem Depot des Anleihegläubigers bei der Wandlungsstelle entnommen werden. Hierzu ist die jeweilige depotführende Bank des Anleihegläubigers mit dem Erwerb der Schuldverschreibungen durch den Anleihegläubiger und deren Verbuchung auf einem Depot des Anleihegläubigers ermächtigt (soweit nicht bereits eine allgemeine Ermächtigung vorliegt), so dass die depotführende Bank in jedem Fall ohne vorherige gesonderte Benachrichtigung des Anleihegläubigers solche Schuldverschreibungen auf ein Depot der Wandlungsstelle, wie im vorangehenden Satz vorgesehen, zu übertragen hat. Die Schuldverschreibungen werden an die Wandlungsstelle zur Verwahrung für Rechnung des Anleihegläubigers und

(c) Mandatory Conversion Procedures

- (i) The issue and delivery of Shares by the Issuer upon the Mandatory Conversion pursuant to § 5(a) or § 5(b) is made in lieu of any payment of principal of the Bonds and shall constitute a discharge of the Issuer from its corresponding obligation to redeem the Principal Amount of the Bonds in cash. Accordingly, as of the Optional Mandatory Conversion Date or Mandatory Conversion Date, as the case may be, a Bondholder shall not have any rights in relation to the Bonds other than the right to have Shares issued and delivered pursuant to § 9 and the right for payment for fractions of shares in accordance with this § 5(c). The Mandatory Conversion shall not apply to Bonds held by the Issuer or any affiliate of the Issuer. Bonds held by the Issuer or any affiliate of the Issuer shall be cancelled latest on the Mandatory Conversion Date.
- (ii) For purposes of the Mandatory Conversion, the Bonds mandatorily converted must either (i) be transferred to the Clearing System account of the Conversion Agent or (ii) be withdrawn from a securities account of the Bondholder with the Conversion Agent. Upon acquisition of Bonds by a Bondholder and their book entry transfer to a securities account of the Bondholder, the respective depositary bank of the Bondholder is authorised by the Bondholder to this effect (if a general authorisation is not already applicable), and the depositary bank shall, therefore, in any case transfer such Bonds to an account of the Conversion Agent, as provided for in the preceding sentence, without giving prior notice to the Bondholder. The Bonds shall be transferred to the Conversion Agent to be held for the account of the Bondholder for transfer to the Issuer. In each case of a withdrawal or

Weiterleitung an die Emittentin übertragen. Mit der Übertragung bzw. Entnahme der Schuldverschreibungen beauftragt und ermächtigt jeder Anleihegläubiger die Wandlungsstelle, für ihn die Pflichtwandelung durchzuführen und die Bezugserklärung gemäß § 198(1) AktG abzugeben. Ein Anspruch auf Ausgabe und Lieferung von Aktien gemäß § 9 oder ein etwaiger Anspruch auf Ausgleich in Geld für Bruchteile von Aktien besteht erst, wenn ein Depotübertrag der Schuldverschreibungen auf ein Depot der Wandlungsstelle beim Clearingsystem erfolgt und die Pflichtwandelung durchgeführt worden ist.

- (iii) Die gemäß § 5(c)(ii) der jeweiligen depotführenden Bank und der Wandlungsstelle erteilten Ermächtigungen sind unbedingt und unwiderruflich und wirken gegenüber jedem Anleihegläubiger. Die Wandlungsstelle führt die Pflichtwandelung am Optionalen Pflichtwandelungstag bzw. Pflichtwandelungstag hinsichtlich aller Schuldverschreibungen durch, die nicht gemäß § 5(c)(i) von der Pflichtwandelung ausgenommen sind.
- (iv) Im Falle einer Pflichtwandelung werden Aktien so bald wie möglich nach dem Optionalen Pflichtwandelungstag bzw. Pflichtwandelungstag und nicht später als am Vorgesehenen Liefertag gemäß den Bestimmungen des § 9 von der Emittentin ausgegeben und geliefert (zusammen mit der Ausgleichszahlung in Geld für Bruchteile einer Aktie für jede Schuldverschreibung gemäß § 5(a) oder § 5(b)).
- (v) Die Emittentin zahlt sämtliche etwaigen Verkehrssteuern oder sonstigen vergleichbaren Abgaben, die im Zusammenhang mit der Pflichtwandelung oder der Lieferung der Aktien durch die Wandlungsstelle anfallen.
- (vi) Barzahlung anstatt Lieferung von Lieferaktien im Ausnahmefall.

transfer, the Conversion Agent shall be authorised to effect the Mandatory Conversion and to deliver the subscription certificate pursuant to § 198(1) of the German Stock Corporation Act for the Bondholder. Until book entry transfer of the Bonds to a Clearing System account of the Conversion Agent has been made and the Mandatory Conversion has been effected, no claim for issue and delivery of Shares pursuant to § 9 or for compensation in cash for fractions of shares, if any, shall exist.

- (iii) Any authorisation pursuant to § 5(c)(ii) of the relevant depositary bank and the Conversion Agent shall be unconditional and irrevocable and is binding on each Bondholder. On the Optional Mandatory Conversion Date or Mandatory Conversion Date, respectively, the Conversion Agent shall exercise the Mandatory Conversion with respect to all Bonds that are not excluded from the Mandatory Conversion pursuant to § 5(c)(i).
- (iv) Upon a Mandatory Conversion, Shares shall be issued and delivered (together with any cash compensation due in respect of each Bond for any fractional Share pursuant to § 5(a) or § 5(b)) by the Issuer as soon as practicable after the Optional Mandatory Conversion Date or Mandatory Conversion Date in accordance with § 9 and no later than the relevant Scheduled Settlement Date.
- (v) The Issuer will pay all transfer taxes and similar duties, if any, which may be imposed in connection with the Mandatory Conversion or the delivery of the Shares by the Conversion Agent.
- (vi) Cash Payment in lieu of Delivery of Settlement Shares in Exceptional Circumstances.

(A) Falls und soweit die Emittentin an dem Vorgesehenen Liefertag in Bezug auf jede Schuldverschreibung, die gemäß § 5(a) bzw. § 5(b) gewandelt werden soll, gehindert ist, neue Lieferaktien zum Maßgeblichen Wandlungsverhältnis (abgerundet auf die nächste volle Aktie) aus einem bedingten Kapital zu begeben bzw. zu liefern und auch nicht über existierende und lieferbare Lieferaktien verfügt, ist die Emittentin verpflichtet, an den Anleihegläubiger für eine jede solche Schuldverschreibung den von der Berechnungsstelle berechneten Barausgleichsbetrag bei Pflichtwandlung zu zahlen an Stelle der Lieferung der Anzahl von Nichtlieferbaren Lieferaktien bei Pflichtwandlung. Auf den Barausgleichsbetrag bei Pflichtwandlung sind keine Zinsen zu zahlen.

(B) Sobald wie möglich nach dem Pflichtwandlungstag bzw. dem Optionalen Pflichtwandlungstag (und in keinem Fall später als am Vorgesehenen Liefertag) wird die Emittentin dem Anleihegläubiger, der die Wandlungserklärung abgegeben hat, gemäß § 14 bekanntmachen, ob und in welchem Umfang die Emittentin eine Barzahlung bei Pflichtwandlung zu leisten hat, und zugleich die Anzahl von Nichtlieferbaren Lieferaktien und die Tatsachen angeben, die die Verpflichtung der Emittentin auf Leistung des Barausgleichsbetrages bei Pflichtwandlung begründen (der Tag, an dem eine solche Mitteilung gegeben wird (oder der folgende Geschäftstag falls dieser Tag kein Geschäftstag ist) wird als **"Barausgleichsoption-Ausübungstag bei Pflichtwandlung"**) bezeichnet.

(C) Definitionen

"Aktueller Marktwert bei Pflichtwandlung" bezeichnet, bezogen auf eine Lieferaktie, den Wert der

(A) If and to the extent on the Scheduled Settlement Date the Issuer is unable, in respect of each Bond to be converted pursuant to § 5(a) or § 5(b) (as applicable), to issue and/or deliver new Settlement Shares equal to the Relevant Conversion Ratio (rounded down to the nearest full Share) from a conditional capital upon conversion and in addition, the Issuer does not hold deliverable treasury Settlement Shares, the Issuer will pay in respect of each such Bond the Mandatory Cash Alternative Amount determined by the Calculation Agent in lieu of the delivery of the Mandatory Number of Undeliverable Settlement Shares. No interest will be payable with respect to a Mandatory Cash Alternative Amount.

(B) As soon as practicable after the Mandatory Conversion Date or Optional Mandatory Conversion Date (as applicable) (and in any case no later than on the Scheduled Settlement Date) the Issuer will give notice in accordance with § 14 whether and to what extent the Issuer must pay a Mandatory Cash Alternative Amount stating the Number of Undeliverable Settlement Shares and the facts which establish the obligation of the Issuer to pay a Mandatory Cash Alternative Amount (the day on which such notice is so given (or the following Business Day if such day is not a Business Day), the **"Mandatory Cash Alternative Election Exercise Date"**).

(C) Definitions

"Mandatory Current Market Value" means in respect of one Settlement Share the value of such Settlement

Lieferaktie, ermittelt auf Grundlage des rechnerischen Durchschnitts der täglichen Aktienkurse an jedem der Handelstage innerhalb des betreffenden Berechnungszeitraums bei Pflichtwandlung, wobei, wenn die Aktie an einem Handelstag des Berechnungszeitraums bei Pflichtwandlung "ex Dividende" bzw. "ex Bezugsrecht" oder "ex" sonstige Ausschüttung, Zuteilung oder Gewährung von Wertpapieren, Rechten oder sonstigen Vermögensgegenständen notiert, deren Stichtag auf den Referenztag bei Pflichtwandlung fällt oder diesem nachfolgt, der Aktienkurs an dem betreffenden Handelstag um den Angemessenen Marktwert der betreffenden Ausschüttung oder Berechtigung je Aktie an dem ersten Handelstag erhöht wird, an dem die Aktie "ex Dividende" bzw. "ex Bezugsrecht" oder "ex" sonstige Ausschüttung, Zuteilung oder Gewährung von Wertpapieren, Rechten oder sonstigen Vermögensgegenständen notiert, wobei, wenn dieser Aktuelle Marktwert nicht an oder vor dem letzten Tag des betreffenden Berechnungszeitraums bei Pflichtwandlung gemäß diesen Emissionsbedingungen bestimmt werden kann, der Betrag, um den der Aktienkurs erhöht wird, statt dessen durch einen Unabhängigen Sachverständigen (an oder vor dem dritten Geschäftstag nach dem letzten Tag des betreffenden Berechnungszeitraums bei Pflichtwandlung) bestimmt wird.

"Anzahl von Nichtlieferbaren Lieferaktien bei Pflichtwandlung" bezeichnet die Anzahl an Aktien je Schuldverschreibung (einschließlich Bruchteilen von Aktien), die sich (1) aus der Differenz zwischen (i) dem Produkt (x) des Maßgeblichen Wandlungsverhältnisses (abgerundet auf

Share, determined on the basis of the arithmetic average of the daily Share Prices on each of the Trading Days during the relevant Mandatory Calculation Period, provided that if on any Trading Day during such Mandatory Calculation Period the Share is quoted "ex dividend" or "ex subscription right" or "ex" any other distribution, allotment or grant of securities, rights or other assets the Record Date of which falls on or after the Mandatory Reference Date, the Share Price on such Trading Day shall be increased by the Fair Market Value of such distribution or other entitlement per Share on the first Trading Day on which the Share is quoted "ex dividend" or "ex subscription right" or "ex" any other distribution, allotment or grant of securities, rights or other assets, provided that if such Fair Market Value is not capable of being determined in accordance with these Terms and Conditions on or before the last day of the relevant Mandatory Calculation Period, the amount by which such Share Price shall be so increased shall instead be determined (on or before the third Business Day following the last day of the relevant Mandatory Calculation Period) by an Independent Expert.

"Mandatory Number of Undeliverable Settlement Shares" means the number of Shares per Bond (including fractions of a Share) equal to (1) the difference between (i) the product of (x) the Relevant Conversion Ratio (rounded down to the nearest full Share) and (y) the aggregate number of

die nächste volle Aktie) und (y) der aggregierten Anzahl von Schuldverschreibungen, die nach § 5(a) oder § 5(b) gewandelt werden und (ii) der Anzahl der ganzen Lieferaktien, die die Emittentin in Bezug auf die vorgenannten Schuldverschreibungen in der Lage auszugeben und/oder zu liefern ist dividiert durch (2) die Anzahl der vorgenannten Schuldverschreibungen. Wenn die Anzahl an ganzen Lieferaktien, die die Emittentin in der Lage auszugeben und/oder zu liefern ist, gleich null ist, dann wird das Maßgebliche Wandlungsverhältnis an dem Pflichtwandlungstag bzw. Optionalen Pflichtwandlungstag bestimmt und unterliegt etwaigen Anpassungen des Wandlungspreises gemäß § 10, wobei keine Anpassung vorgenommen wird, wenn deren Anpassungstag auf den Referenztag fällt oder diesem nachfolgt.

"Barausgleichsbetrag bei Pflichtwandlung" ist das Produkt (gerundet auf den nächsten vollen Cent, wobei € 0,005 aufgerundet wird) aus (x) dem Aktuellen Marktwert bei Pflichtwandlung und (y) der Anzahl von Nichtlieferbaren Lieferaktien bei Pflichtwandlung, wobei die Berechnungsstelle alle Feststellungen trifft.

"Berechnungszeitraum bei Pflichtwandlung" bezeichnet für Zwecke der Bestimmung des Barausgleichsbetrags bei Pflichtwandlung den Zeitraum von zehn aufeinander folgenden Handelstagen, der an dem zweiten auf den Referenztag bei Pflichtwandlung folgenden Handelstag beginnt.

"Referenztag bei Pflichtwandlung" bezeichnet (A) den Barausgleichsoption-Ausübungstag bei Pflichtwandlung, wenn die Anzahl von Nichtlieferbaren Lieferaktien bei Pflichtwandlung gleich

Bonds to be converted pursuant to § 5(a) or § 5(b) and (ii) such number of full Settlement Shares (if any) that the Issuer is able to issue and/or deliver in respect of such number of Bonds as aforesaid divided by (2) such number of Bonds as aforesaid. If the number of full Settlement Shares that the Issuer is able to issue and/or deliver is equal to zero, the Relevant Conversion Ratio shall be determined as at the Mandatory Conversion Date or Optional Mandatory Conversion Date (as applicable), subject to adjustment of the Conversion Price in accordance with § 10, provided that no adjustment will be made if the Adjustment Date in respect thereof falls on or after the relevant Reference Date.

"Mandatory Cash Alternative Amount" means the product (rounded to the nearest full Cent with € 0.005 being rounded upwards) of (x) the Mandatory Current Market Value and (y) the Mandatory Number of Undeliverable Settlement Shares, all as determined by the Calculation Agent.

"Mandatory Calculation Period" means, for purposes of the determination of the Mandatory Cash Alternative Amount, the period of ten consecutive Trading Days commencing on the second Trading Day after the Mandatory Reference Date.

"Mandatory Reference Date" means (A) the Mandatory Cash Alternative Election Exercise Date if the Mandatory Number of Undeliverable Settlement Shares is equal to the

dem Maßgeblichen Wandlungsverhältnis ist, (B) ansonsten den Liefertag der Lieferaktien, die die Emittentin bei Wandlung in Bezug auf die relevante Pflichtwandlung zu begeben bzw. zu liefern imstande ist.

Relevant Conversion Ratio, (B) otherwise the Settlement Date of the Settlement Shares that the Issuer is able to issue and/or deliver in respect of the relevant Mandatory Conversion.

- (d) Die Emittentin und ihre Tochtergesellschaften sind jederzeit berechtigt, nach Maßgabe der anwendbaren gesetzlichen und anderen Vorschriften und ohne das Erfordernis einer Mitteilung nach § 14 Schuldverschreibungen am Markt oder auf sonstige Weise anzukaufen.

Die Emittentin oder eine ihrer Tochtergesellschaften können Schuldverschreibungen, die sie gekauft haben, einziehen oder halten und wiederveräußern.

- (d) The Issuer and any of its Subsidiaries may, in accordance with applicable statutory and other laws and provisions and without a notice in accordance with § 14 being required, at any time purchase Bonds, in the open market or otherwise.

Any Bonds purchased by the Issuer or any of its Subsidiaries may be cancelled or held and resold.

§ 6 Zahlungen

- (a) Alle Zahlungen auf die Schuldverschreibungen erfolgen in Euro an die Zahlstelle zur Weiterleitung an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems außerhalb der Vereinigten Staaten. Zahlungen auf die Schuldverschreibungen an das Clearingsystem oder an dessen Order befreien die Emittentin in Höhe der geleisteten Zahlungen von ihren Verbindlichkeiten aus den Schuldverschreibungen.
- (b) Falls eine Zahlung in Bezug auf die Schuldverschreibungen an einem Tag fällig wird, der kein Geschäftstag ist, so hat der Anleihegläubiger keinen Anspruch auf Zahlung vor dem nachfolgenden Geschäftstag. In diesem Falle stehen den Anleihegläubigern keine Ansprüche auf zusätzliche Zinsen oder eine andere Ersatzleistung wegen dieser Verzögerung zu.

§ 7 Steuern

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge werden unter Abzug von Steuern

§ 6 Payments

- (a) All payments on the Bonds will be made in Euro to the Paying Agent for transfer to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System outside the United States. Payments on the Bonds made to the Clearing System or to its order will discharge the liability of the Issuer under the Bonds to the extent of the sums so paid.
- (b) If the due date for payment of any amount in respect of the Bonds is not a Business Day, then the Bondholder will not be entitled to payment until the next day which is a Business Day. In such case the Bondholders will not be entitled to further interest or to any other compensation on account of such delay.

§ 7 Taxes

All payments in respect of the Bonds will be made with deduction of taxes or other duties, if such deduction is required by law.

oder sonstigen Abgaben geleistet, falls ein solcher Abzug gesetzlich vorgeschrieben ist.

Die Emittentin ist nicht verpflichtet, wegen eines solchen Abzugs zusätzliche Beträge an Kapital und/oder Zinsen zu zahlen.

The Issuer will not be obliged to pay any additional amounts of principal and/or interest as a result of such deduction.

§ 8 Wahlweise Wandlung

(a) Wandlungsrecht der Anleihegläubiger.

Die Emittentin gewährt jedem Anleihegläubiger das Recht (das "**Wandlungsrecht**"), nach Maßgabe dieses § 8 an jedem Geschäftstag während des Wandlungszeitraums jede Schuldverschreibung ganz, nicht jedoch teilweise, zum Wandlungspreis in Lieferaktien zu wandeln.

(b) Ausübung des Wandlungsrechts.

(i) Zur Ausübung des Wandlungsrechts muss der Anleihegläubiger während des Wandlungszeitraums auf eigene Kosten bei der Wandlungsstelle über seine Depotbank und das Clearingsystem eine ordnungsgemäß ausgefüllte und unterzeichnete Ausübungserklärung (die "**Wandlungserklärung**") (auch per Fax) unter Verwendung eines dann gültigen Vordrucks, der bei der Wandlungsstelle erhältlich ist, einreichen. Die Wandlungserklärung muss der Wandlungsstelle spätestens um 16:00 Uhr (Frankfurter Zeit) an dem letzten Tag des Wandlungszeitraums zugehen. Die Wandlungserklärung ist unwiderruflich und hat unter anderem die folgenden Angaben zu enthalten:

- (A) Namen, Geburtsdatum und Adresse (natürliche Personen) bzw. Firma, Firmensitz und Adresse (juristische Personen) des ausübenden Anleihegläubigers sowie dessen Faxnummer und Emailadresse;
- (B) den gesamten Nennbetrag der Schuldverschreibungen, für die das Wandlungsrecht ausgeübt werden soll;

§ 8 Voluntary Conversion

(a) Conversion Right of the Bondholders.

The Issuer grants to each Bondholder the right (the "**Conversion Right**") to convert each Bond in whole, but not in part, at the Conversion Price into Settlement Shares in accordance with this § 8 on any Business Day during the Conversion Period.

(b) Exercise of the Conversion Right.

(i) To exercise the Conversion Right, the Bondholder must deliver at its own expense during the Conversion Period to the Conversion Agent via its Custodian and the Clearing System a duly completed and executed exercise notice (the "**Conversion Notice**") (which may be by fax) using a form (from time to time current) obtainable from the Conversion Agent which must be received by the Conversion Agent by 4:00 p.m. (Frankfurt time) on the last day of the Conversion Period. The Conversion Notice is irrevocable and will, among other things:

- (A) state the name, date of birth and address (natural persons) or name, domicile and address (legal persons) of the exercising Bondholder as well as its fax number and email address;
- (B) specify the aggregate Principal Amount of Bonds with respect to which the Conversion Right will be exercised;

- (C) das Wertpapierdepotkonto des Anleihegläubigers oder der von ihm zu diesem Zweck benannten Person bei einem Teilnehmer des Clearingsystems oder bei einem Kontoinhaber des Clearingsystems, auf das die Lieferaktien übertragen werden sollen;
- (D) Anweisungen an die Wandlungsstelle bezüglich der Zahlung von Barbeträgen, die der Anleihegläubiger nach diesen Emissionsbedingungen zu erhalten berechtigt ist und die auf ein auf Euro lautendes Geldkonto bei einer Bank in der Europäischen Union zu überweisen sind;
- (E) im Falle eines Bedingten Übernahmeangebots und einer Bedingten Wandlungserklärung das Wertpapierdepotkonto des Anleihegläubigers oder der von ihm zu diesem Zweck benannten Person bei einem Teilnehmer des Clearingsystems oder bei einem Kontoinhaber des Clearingsystems, auf das die zur Wandlung eingereichten Schuldverschreibungen zurückübertragen werden sollen, falls kein Annahmevereignis eintritt;
- (F) in dem Vordruck der Wandlungserklärung geforderte Bestätigungen und Verpflichtungserklärungen über bestimmte rechtliche Beschränkungen bezüglich des Eigentums der Schuldverschreibungen bzw. Lieferaktien. Sofern der Anleihegläubiger die vorstehend genannten Bestätigungen und Verpflichtungserklärungen nicht beibringt, wird die Emittentin in Bezug auf eine solche Wandlungserklärung keine Lieferaktien liefern oder Zahlungen leisten; und
- (G) die Ermächtigung, die Bezugserklärung gemäß § 8(b)(ii) für den Anleihegläubiger abzugeben.
- (C) designate the securities account of the Bondholder or its nominee at a participant in, or account holder of, the Clearing System to which the Settlement Shares are to be delivered;
- (D) give directions to the Conversion Agent for the payment of any cash amount which the Bondholder is entitled to receive in accordance with these Terms and Conditions and which are to be paid by way of transfer to a Euro denominated cash account maintained with a bank in the European Union;
- (E) in the case of a Conditional Take-over Bid and a Conditional Conversion Notice designate the securities account of the Bondholder or its nominee at a participant in, or account holder of, the Clearing System to which the Bonds delivered for conversion are to be redelivered if no Acceptance Event occurs;
- (F) contain the certifications and undertakings set out in the form of the Conversion Notice relating to certain legal restrictions of the ownership of the Bonds and/or the Settlement Shares. If the Bondholder fails to deliver the above-mentioned certifications and undertakings, the Issuer will not deliver any Settlement Shares or pay any amount of cash in respect of such a Conversion Notice; and
- (G) contain the authority to deliver the subscription certificate in accordance with § 8(b)(ii) on behalf of the Bondholder.

- (ii) Die Ausübung des Wandlungsrechts setzt außerdem voraus, dass die zu wandelnden Schuldverschreibungen spätestens um 16:00 Uhr (Frankfurter Zeit) an dem letzten Tag des Wandlungszeitraums an die Wandlungsstelle geliefert werden, und zwar durch Übertragung der Schuldverschreibungen auf das Konto der Wandlungsstelle bei dem Clearingsystem (Umbuchung bzw. Abtretung). Die Wandlungsstelle ist ermächtigt, die Bezugserklärung gemäß § 198 Absatz 1 AktG für die Anleihegläubiger abzugeben.
- (iii) Nach Erfüllung sämtlicher in § 8(b)(i) und § 8(b)(ii) genannten Voraussetzungen für die Ausübung des Wandlungsrechts prüft die Wandlungsstelle, ob der gesamte Nennbetrag der an die Wandlungsstelle gelieferten Schuldverschreibungen den in der Wandlungserklärung angegebenen gesamten Nennbetrag der Schuldverschreibungen (der „**Gesamte Nennbetrag**“) über- oder unterschreitet. Die Berechnungsstelle berechnet das Maßgebliche Wandlungsverhältnis, wobei sich der Gesamte Nennbetrag (wie durch die Berechnungsstelle ermittelt), falls die Wandlungsstelle festgestellt hat, dass der in der Wandlungserklärung angegebene gesamte Nennbetrag der Schuldverschreibungen den gesamten Nennbetrag der tatsächlich gelieferten Schuldverschreibungen über- oder unterschreitet, entweder (A) als diejenige Gesamtzahl von Lieferaktien, die dem in der Wandlungserklärung angegebenen gesamten Nennbetrag von Schuldverschreibungen entspricht, oder (B) als diejenige Gesamtzahl von Lieferaktien, die dem gesamten Nennbetrag der tatsächlich gelieferten Schuldverschreibungen entspricht, bestimmt, wobei die niedrigere Gesamtzahl maßgebend ist. Eventuell gegenüber der in der Wandlungserklärung angegebenen Anzahl von Schuldverschreibungen überzählige Schuldverschreibungen werden an den Anleihegläubiger auf dessen Kosten zurückübertragen. Die Wandlungsstelle wird
- (ii) The exercise of the Conversion Right further requires that the Bonds to be converted will be delivered to the Conversion Agent by transferring the Bonds to the account of the Conversion Agent with the Clearing System (book-entry transfer or assignment) by 4:00 p.m. (Frankfurt time) on the last day of the Conversion Period. The Conversion Agent is authorised to deliver the subscription certificate pursuant to § 198(1) AktG on behalf of the Bondholders.
- (iii) Upon fulfilment of all requirements specified in § 8(b)(i) and § 8(b)(ii) for the exercise of the Conversion Right, the Conversion Agent will verify whether the aggregate Principal Amount of Bonds delivered to the Conversion Agent exceeds or falls short of the aggregate Principal Amount of Bonds specified in the Conversion Notice (the “**Aggregate Principal Amount**”). The Calculation Agent will determine the Relevant Conversion Ratio, provided that if the Conversion Agent has determined that the aggregate Principal Amount of Bonds delivered to the Conversion Agent exceeds or falls short of the aggregate Principal Amount of Bonds specified in the Conversion Notice, the Aggregate Principal Amount shall be (as determined by the Conversion Agent) the lower of (A) such total number of Settlement Shares which corresponds to the aggregate Principal Amount of Bonds set forth in the Conversion Notice and (B) such total number of Settlement Shares which corresponds to the aggregate Principal Amount of Bonds in fact delivered for conversion. Any Bonds delivered in excess of the number of Bonds specified in the Conversion Notice will be redelivered to the Bondholder at its cost. The Conversion Agent will act in accordance with the regulations of the Clearing System.

gemäß den Regularien des Clearingsystems verfahren.

- (iv) Das Wandlungsrecht ist an dem Wandlungstag wirksam ausgeübt. Der Begriff "**Wandlungstag**" hat in Bezug auf jede wirksame Ausübung des Wandlungsrechts die folgende Bedeutung:

(A) Vorbehaltlich der nachstehenden Unterabsätze (B) und (C) bezeichnet:

(aa) im Falle einer Sonderwandlung der "**Wandlungstag**" den Sonderwandlungstag; oder

(bb) ansonsten der "**Wandlungstag**" den ersten Vierteljährlichen Wandlungstag, der auf den Vorlagetag folgt; oder, wenn dieser Vierteljährliche Wandlungstag oder dieser Sonderwandlungstag in einen Ausschlusszeitraum fällt, bezeichnet der "**Wandlungstag**" den ersten Geschäftstag nach Ende dieses Ausschlusszeitraums.

(B) Falls ein Übernahmeangebot (wie in § 11(c) definiert) abgegeben wird oder ein Kontrollwechsel (wie in § 11(c) definiert) eintritt und ein Anleihegläubiger das Wandlungsrecht für eine Schuldverschreibung gemäß § 8(a) während (und bis um 16:00 Uhr (Frankfurter Zeit) an dem letzten Tag) des Wandlungszeitraums (gemäß Absatz (A) bzw. (C) der Definition von Wandlungszeitraum) wirksam ausübt (ausgenommen in dem in Absatz (C) beschriebenen Fall), bezeichnet "**Wandlungstag**" den Geschäftstag, der auf den Vorlagetag folgt und zwar unabhängig davon, ob dieser Geschäftstag in einen Ausschlusszeitraum fällt.

(C) Wenn (I) ein Anleihegläubiger während (und bis 16:00 Uhr (Frankfurter Zeit) an dem letzten Tag) der Bedingten Wandlungserklärungsfrist gemäß

- (iv) The Conversion Right will be validly exercised on the Conversion Date. The term "**Conversion Date**", in respect of any valid exercise of the Conversion Right, has the following meaning:

(A) Subject to subparagraphs (B) and (C) below:

(aa) in the case of an Extraordinary Conversion, "**Conversion Date**" means the Extraordinary Conversion Date; or

(bb) otherwise, "**Conversion Date**" means the first Quarterly Conversion Date following the Submission Date;

or, if such Quarterly Conversion Date or Extraordinary Conversion Date (as applicable) falls within an Excluded Period, "**Conversion Date**" means the first Business Day after the end of such Excluded Period.

(B) If a Take-over Bid (as defined in § 11(c)) or a Change of Control (as defined in § 11(c)) occurs and a Bondholder validly exercises the Conversion Right (other than in the circumstances set out in paragraph (C) below) in respect of any Bond in accordance with § 8(a) during (and by 4.00 p.m. (Frankfurt time) on the last day of) the relevant Conversion Period pursuant to limb (A) or limb (C) (as applicable) of the definition thereof, "**Conversion Date**" means the first Business Day following the Submission Date, irrespective of whether such Business Day falls within an Excluded Period.

(C) If (I) a Bondholder has delivered to the Conversion Agent a Conditional Conversion Notice in accordance with § 11(b)(ii)(A) and the Bonds to be

§ 11(b)(ii)(A) eine Bedingte Wandlungserklärung und gemäß § 11(b)(ii)(B) die Schuldverschreibungen, für die das Wandlungsrecht ausgeübt werden soll, an die Wandlungsstelle geliefert hat, und (II) die Bedingte Wandlungserklärung gemäß § 11(b)(ii)(C) unbedingt geworden ist, bezeichnet "**Wandlungstag**" den ersten Geschäftstag nach dem Tag, an dem das Annahmereignis eintritt, und zwar unabhängig davon, ob dieser Geschäftstag in einen Ausschlusszeitraum fällt.

(c) Lieferung der Lieferaktien; Ausgleich von Bruchteilen von Lieferaktien.

(i) Die Emittentin hat nach einer Ausübung des Wandlungsrechts eine Anzahl von Lieferaktien (in Bezug auf den Gesamten Nennbetrag) auszugeben bzw. zu liefern, die dem Maßgeblichen Wandlungsverhältnis, abgerundet auf die nächste ganze Lieferaktie (wie von der Berechnungsstelle berechnet) entspricht. Die zu liefernden Lieferaktien werden spätestens an dem Vorgesehenen Liefertag auf das in der Wandlungserklärung angegebene Wertpapierdepotkonto des Anleihegläubigers übertragen. Bis zur Übertragung bestehen keine Ansprüche aus den Lieferaktien. Hinsichtlich der Lieferung der Lieferaktien gilt § 9.

(ii) Ein verbleibender Bruchteil einer Lieferaktie wird nicht geliefert, sondern in Geld zu einem Betrag ausgeglichen, der dem Produkt (gerundet auf den nächsten vollen Cent, wobei € 0,005 aufgerundet wird) des entsprechenden Bruchteils und des Aktienkurses an dem Handelstag unmittelbar vor dem Wandlungstag, wie von der Berechnungsstelle berechnet, entspricht.

(iii) Die Emittentin hat einen etwaigen Ausgleich in Geld für einen Bruchteil einer Lieferaktie gemäß § 8(c)(ii) spätestens an dem Vorgesehe-

converted in accordance with § 11(b)(ii)(B) during (and by 4:00 p.m. (Frankfurt time) on the last day of) the Conditional Conversion Notice Period, and (II) the Conditional Conversion Notice has become unconditional in accordance with § 11(b)(ii)(C), "**Conversion Date**" means the first Business Day following the date on which the Acceptance Event occurs, irrespective of whether such Business Day falls within an Excluded Period.

(c) Delivery of Settlement Shares; Compensation for Fractions of Settlement Shares.

(i) The Issuer, upon any exercise of the Conversion Right, will issue and/or deliver such number of Settlement Shares as is equal (in respect of the Aggregate Principal Amount) to the Relevant Conversion Ratio rounded down to the next full Settlement Share (as determined by the Calculation Agent). The Settlement Shares to be delivered will be transferred to the securities account of the Bondholder specified in the Conversion Notice no later than on the Scheduled Settlement Date. Until transfer of the Settlement Shares has been made no claims arising from the Settlement Shares will exist. In relation to delivery of the Settlement Shares § 9 will apply.

(ii) Any remaining fraction of a Settlement Share will not be delivered but will be compensated in cash in an amount equal to the product (rounded to the nearest full cent with €0.005 being rounded upwards) of the relevant fraction and the Share Price on the Trading Day immediately preceding the Conversion Date, as determined by the Calculation Agent.

(iii) The Issuer is required to pay any compensation in cash of a fraction of a Settlement Share in accordance with § 8(c)(ii) to the cash account specified in the

nen Liefertag auf das in der Wandlungserklärung angegebene Geldkonto zu zahlen. Die Emittentin schuldet keine Zinsen auf diesen Betrag.

- (iv) Die Emittentin ist zur Lieferung von Lieferaktien und zur Zahlung gemäß § 8(c)(iii) nur verpflichtet, wenn der Anleihegläubiger sämtliche etwaigen Steuern oder sonstigen Abgaben und Kosten gezahlt hat, die im Zusammenhang mit der Ausübung des Wandlungsrechts oder der Lieferung der Lieferaktien oder der Leistung einer Zahlung gemäß § 8(c)(iii) durch die Emittentin anfallen.

- (d) Barzahlung anstatt Lieferung von Lieferaktien im Ausnahmefall.

- (i) Falls und soweit nach einer Wandlung die Emittentin an dem Vorgesehenen Liefertag gehindert ist, neue Lieferaktien aus einem bedingten Kapital zu begeben bzw. zu liefern und auch nicht über existierende und lieferbare Lieferaktien verfügt, ist die Emittentin verpflichtet, an den Anleihegläubiger an Stelle der Lieferung der Anzahl von Nichtlieferbaren Lieferaktien den von der Berechnungsstelle berechneten Barausgleichsbetrag zu zahlen.

Zinsen sind hinsichtlich eines Barausgleichsbetrages nicht zu zahlen.

- (ii) Sobald wie möglich nach dem Wandlungstag (und in keinem Fall später als am Vorgesehenen Liefertag) wird die Emittentin dem Anleihegläubiger, der die Wandlungserklärung abgegeben hat, (in Textform, per Fax, per Email oder auf andere Art und Weise unter Benutzung der in der Wandlungserklärung angegebenen Anschrift) mitteilen, ob und in welchem Umfang die Emittentin eine Barzahlung zu leisten hat, und zugleich die Anzahl von Nichtlieferbaren Lieferaktien und die Tatsachen angeben, die die Verpflichtung der Emittentin auf Leistung des Barausgleichsbetrages begründen (der Tag, an dem eine solche Mitteilung gegeben wird (oder der folgende Geschäftstag falls dieser Tag kein

Conversion Notice no later than on the Scheduled Settlement Date. The Issuer will not be required to pay any interest on such amount.

- (iv) The Issuer will only be required to deliver the Settlement Shares and to make the payment in accordance with § 8(c)(iii) if the Bondholder has paid all taxes or other duties and costs, if any, which may be imposed in connection with the exercise of the Conversion Right or the delivery of the Settlement Shares or the payment by the Issuer of any amount in accordance with § 8(c)(iii).

- (d) Cash Payment in lieu of Delivery of Settlement Shares in Exceptional Circumstances.

- (i) If and to the extent on the Scheduled Settlement Date the Issuer is unable to issue and/or deliver new Settlement Shares from a conditional capital upon conversion, and in addition, the Issuer does not hold deliverable treasury Settlement Shares, the Issuer will pay to the Bondholder the Cash Alternative Amount determined by the Calculation Agent in lieu of the delivery of the Number of Undeliverable Settlement Shares.

No interest will be payable with respect to a Cash Alternative Amount.

- (ii) As soon as practicable after the Conversion Date (and in any case no later than on the Scheduled Settlement Date) the Issuer will give notice (in text form, by fax, by email or otherwise using the address stated in the Conversion Notice) to the Bondholder who has delivered a Conversion Notice whether and to what extent the Issuer must pay a Cash Alternative Amount stating the Number of Undeliverable Settlement Shares and the facts which establish the obligation of the Issuer to pay a Cash Alternative Amount (the day on which such notice is so given (or the following Business Day if such day is not a Business Day), the “**Cash Alternative Election Exercise Date**”).

Geschäftstag ist) wird als "**Barausgleichs-option-Ausübungstag**") bezeichnet.

(iii) Definitionen

"Aktueller Marktwert" bezeichnet, bezogen auf eine Lieferaktie, den Wert der Lieferaktie, ermittelt auf Grundlage des rechnerischen Durchschnitts der täglichen Aktienkurse an jedem der Handelstage innerhalb des betreffenden Berechnungszeitraums, wobei, wenn die Aktie an einem Handelstag des Berechnungszeitraums "ex Dividende" bzw. "ex Bezugsrecht" oder "ex" sonstige Ausschüttung, Zuteilung oder Gewährung von Wertpapieren, Rechten oder sonstigen Vermögensgegenständen notiert, deren Stichtag auf den Referenztag fällt oder diesem nachfolgt, der Aktienkurs an dem betreffenden Handelstag um den Angemessenen Marktwert der betreffenden Ausschüttung oder Berechtigung je Aktie an dem ersten Handelstag erhöht wird, an dem die Aktie "ex Dividende" bzw. "ex Bezugsrecht" oder "ex" sonstige Ausschüttung, Zuteilung oder Gewährung von Wertpapieren, Rechten oder sonstigen Vermögensgegenständen notiert, wobei, wenn dieser Aktuelle Marktwert nicht an oder vor dem letzten Tag des betreffenden Berechnungszeitraums gemäß diesen Emissionsbedingungen bestimmt werden kann, der Betrag, um den der Aktienkurs erhöht wird, statt dessen durch einen Unabhängigen Sachverständigen (an oder vor dem dritten Geschäftstag nach dem letzten Tag des betreffenden Berechnungszeitraums) bestimmt wird.

"Anzahl von Nichtlieferbaren Lieferaktien" im Hinblick auf eine Wandlungserklärung ist das Maßgebliche Wandlungsverhältnis (einschließlich Bruchteilen von Aktien) minus der etwaigen Anzahl von ganzen Lieferaktien, die die Emittentin im Hinblick auf die betreffende Wandlungserklärung zu begeben bzw. zu liefern imstande ist. Wenn die Anzahl von ganzen Lieferaktien, die die Emittentin im Hinblick auf die betreffende

(iii) Definitions

"Current Market Value" means in respect of one Settlement Share the value of such Settlement Share, determined on the basis of the arithmetic average of the daily Share Prices on each of the Trading Days during the relevant Calculation Period, provided that if on any Trading Day during such Calculation Period the Share is quoted "ex dividend" or "ex subscription right" or "ex" any other distribution, allotment or grant of securities, rights or other assets the Record Date of which falls on or after the Reference Date, the Share Price on such Trading Day shall be increased by the Fair Market Value of such distribution or other entitlement per Share on the first Trading Day on which the Share is quoted "ex dividend" or "ex subscription right" or "ex" any other distribution, allotment or grant of securities, rights or other assets, provided that if such Fair Market Value is not capable of being determined in accordance with these Terms and Conditions on or before the last day of the relevant Calculation Period, the amount by which such Share Price shall be so increased shall instead be determined (on or before the third Business Day following the last day of the relevant Calculation Period) by an Independent Expert.

"Number of Undeliverable Settlement Shares" in respect of any Conversion Notice means the Relevant Conversion Ratio (including fractions of shares) minus such number of full Settlement Shares (if any) that the Issuer is able to issue and/or deliver in respect of the relevant Conversion Notice. If the number of full Settlement Shares that the Issuer is able to issue and/or deliver is equal to zero, the Relevant Conversion Ratio shall

Wandlungserklärung zu begeben bzw. zu liefern imstande ist, gleich null ist, dann wird das Maßgebliche Wandlungsverhältnis an dem Wandlungstag bestimmt und unterliegt etwaigen Anpassungen des Wandlungspreises gemäß § 10, wobei keine Anpassung vorgenommen wird, wenn deren Anpassungstag auf den Referenztag fällt oder diesem nachfolgt.

"Barausgleichsbetrag" ist das Produkt (gerundet auf den nächsten vollen Cent, wobei € 0,005 aufgerundet wird) aus (x) dem Aktuellen Marktwert und (y) der Anzahl von Nichtlieferbaren Lieferaktien, wobei die Berechnungsstelle alle Feststellungen trifft.

"Berechnungszeitraum" bezeichnet für Zwecke der Bestimmung des Barausgleichsbetrags den Zeitraum von zehn aufeinander folgenden Handelstagen, der an dem zweiten auf den Referenztag folgenden Handelstag beginnt.

"Referenztag" bezeichnet (A) den Barausgleichsoption-Ausübungstag, wenn die Anzahl von Nichtlieferbaren Lieferaktien gleich dem Maßgeblichen Wandlungsverhältnis ist, (B) ansonsten den Liefertag der Lieferaktien, die die Emittentin bei Wandlung zu begeben bzw. zu liefern imstande ist.

- (iv) Die Emittentin wird den Barausgleichsbetrag spätestens an dem zweiten Geschäftstag nach dem letzten Tag des betreffenden Berechnungszeitraums auf das in der Wandlungserklärung angegebene Geldkonto zahlen.

§ 9 Bereitstellung von Lieferaktien, Lieferstörungen

- (a) Die nach Durchführung der Wandlung zu liefernden Aktien (die **"Lieferaktien"**) werden aus einem bedingten Kapital der Emittentin stammen, werden mit uneingeschränkter Dividendenberechtigung ab dem Beginn des Geschäftsjahrs ihrer Ausgabe und, sofern das

be determined as at the Conversion Date, subject to adjustment of the Conversion Price in accordance with § 10, provided that no adjustment will be made if the Adjustment Date in respect thereof falls on or after the relevant Reference Date.

"Cash Alternative Amount" means the product (rounded to the nearest full Cent with € 0.005 being rounded upwards) of (x) the Current Market Value and (y) the Number of Undeliverable Settlement Shares, all as determined by the Calculation Agent.

"Calculation Period" means, for purposes of the determination of the Cash Alternative Amount, the period of ten consecutive Trading Days commencing on the second Trading Day after the Reference Date.

"Reference Date" means (A) the Cash Alternative Election Exercise Date if the Number of Undeliverable Settlement Shares is equal to the Relevant Conversion Ratio, (B) otherwise the Settlement Date of the Settlement Shares that the Issuer is able to issue and/or deliver in respect of the relevant exercise of Conversion Rights.

- (iv) The Issuer will pay the Cash Alternative Amount to the cash account specified in the Conversion Notice no later than on the second Business Day following the last day of the relevant Calculation Period.

§ 9 Procurement of Settlement Shares, Settlement Disruption

- (a) The Shares to be delivered upon execution of the conversion (the **"Settlement Shares"**) will derive from a conditional capital of the Issuer, will carry full dividend rights from the beginning of the Financial Year in which they are issued and, if the Conversion Right has been validly

Wandlungsrecht bis (einschließlich) zum letzten Geschäftstag vor dem Vierteljährlichen Wandlungstag am 12. Mai 2021 bzw. 12. Mai 2022 wirksam ausgeübt wurde, auch für das letzte vor Ausübung des Wandlungsrechts abgelaufene Geschäftsjahr ausgestattet sein, solange die Hauptversammlung, der der Jahresabschluss der Emittentin für dieses abgelaufene Geschäftsjahr vorzulegen ist, noch nicht stattgefunden hat, und können zunächst eine eigene Wertpapierkennung haben, insbesondere soweit und solange die Lieferaktien noch nicht zum Börsenhandel zugelassen sind, wobei die Emittentin alle Anleihegläubiger mit dem gleichen Wandlungstag gleich behandeln wird.

- (b) Die Emittentin wird die Lieferaktien über die Wandlungsstelle bereitstellen.
- (c) Wenn an dem Vorgesehenen Liefertag eine Lieferstörung eintritt und keine Lieferaktien geliefert werden können, dann hat die Emittentin die betreffenden Lieferaktien an dem ersten nachfolgenden Geschäftstag zu liefern, an dem eine Lieferung der Lieferaktien durch das Clearingsystem oder in jeder anderen wirtschaftlich sinnvollen Weise stattfinden kann.

"Lieferstörung" bezeichnet ein Ereignis außerhalb der Kontrolle der Emittentin, das dazu führt, dass das Clearingsystem Depotübertragungen von Lieferaktien nicht durchführen kann.

§ 10 Anpassung des Wandlungspreises

- (a) Kapitalerhöhung durch Umwandlung der Kapitalrücklage oder von Gewinnrücklagen, Aktiensplit oder Zusammenlegung von Aktien und Kapitalherabsetzung.
- (i) Falls die Emittentin vor dem maßgeblichen Liefertag ihr Grundkapital durch Umwandlung der Kapitalrücklage oder von Gewinnrücklagen durch die Ausgabe von neuen Aktien erhöht (ausgenommen eine Scrip-Dividende),

exercised by the last Business Day (inclusive) prior to the Quarterly Conversion Date of 12 May 2021 or 12 May 2022 (as the case may be), also for the Financial Year that ended prior to the exercise of the conversion right, as long as the shareholders' meeting to which the annual financial statements of the Issuer for this past Financial Year will have to be presented, has not yet taken place, and may initially carry a separate securities code, in particular as long as and to the extent the Settlement Shares have not been admitted to trading, provided that the Issuer will treat all Bondholders on the same Conversion Date equally.

- (b) The Issuer will procure delivery of the Settlement Shares through the Conversion Agent.
- (c) If on the Scheduled Settlement Date a Settlement Disruption Event occurs and delivery of any Settlement Shares cannot be effected on such date, then the Issuer is required to deliver the relevant Settlement Shares on the first succeeding Business Day on which delivery of the Settlement Shares can take place through the Clearing System or in any other commercially reasonable manner.

"Settlement Disruption Event" means an event beyond the control of the Issuer as a result of which the Clearing System cannot settle book-entry transfers of such Settlement Shares.

§ 10 Adjustment of the Conversion Price

- (a) Capital Increase from Conversion of the Capital Reserve or Retained Earnings, Share Split or Combining of Shares and Capital Decrease.
- (i) If, prior to the relevant Settlement Date, the Issuer increases its share capital out of capital reserves or retained earnings by issuing new Shares (other than constituting a Scrip Dividend), the Conversion Price will be

wird der Wandlungspreis gemäß der nachstehenden Formel angepasst:

$$CP_a = CP \times \frac{N_o}{N_n}$$

Dabei gilt folgendes:

CPa= der angepasste Wandlungspreis;

CP= der unmittelbar vor dem Anpassungstag maßgebliche Wandlungspreis (vorbehaltlich § 10(j));

No= die Anzahl ausgegebener Aktien vor der Kapitalerhöhung; und

Nn= die Anzahl ausgegebener Aktien nach der Kapitalerhöhung.

Falls die Grundkapitalerhöhung durch Umwandlung der Kapital- oder von Gewinnrücklage nicht durch die Ausgabe neuer Aktien bewirkt wird, sondern mittels einer Erhöhung des jeweiligen auf die einzelne Aktie entfallenden anteiligen Betrages des Grundkapitals (§ 207 Absatz 2 Satz 2 AktG), bleibt der Wandlungspreis unverändert. In diesem Falle sind die betreffenden Lieferaktien mit ihrem entsprechend erhöhten anteiligen Betrag des Grundkapitals zu liefern.

Mit einer Grundkapitalerhöhung aus Gesellschaftsmitteln wird zugleich das bedingte Kapital der Emittentin kraft Gesetz im gleichen Umfang wie das Grundkapital erhöht (§ 218 AktG).

(ii) Falls die Emittentin vor dem maßgeblichen Liefertag:

- (A) die Anzahl der ausgegebenen Aktien durch Herabsetzung des auf die einzelne Aktie entfallenden anteiligen Betrages des Grundkapitals erhöht (Aktiensplit) oder die Anzahl der ausgegebenen Aktien reduziert, indem der auf die einzelne Aktie entfallende anteilige Betrag des Grundkapitals erhöht wird, ohne das

adjusted in accordance with the following formula:

$$CP_a = CP \times \frac{N_o}{N_n}$$

where:

CPa= the adjusted Conversion Price;

CP= the Conversion Price in effect immediately prior to the Adjustment Date (subject to § 10(j));

No= the number of issued Shares before the share capital increase; and

Nn= the number of issued Shares after the share capital increase.

If the share capital increase out of the capital reserve or retained earnings is not effected by issuing new Shares but by means of an increase of the interest in the share capital represented by each share (§ 207(2) sentence 2 AktG), the Conversion Price will remain unchanged. In this case, the relevant Settlement Shares will be delivered with the increased interest in the share capital represented by each share.

Simultaneously with the share capital increase out of capital reserves the conditional capital of the Issuer is increased by operation of law in the same proportion as the share capital (§ 218 AktG).

(ii) If, prior to the relevant Settlement Date, the Issuer:

- (A) increases the number of Shares issued by reduction of the interest in the share capital represented by each share (share split) or reduces the number of issued shares by increasing the interest in the share capital represented by each share with no change in the share capital (reverse share split); or

Grundkapital herabzusetzen (umgekehrter Aktiensplit); oder

- (B) ihr Grundkapital durch Zusammenlegung von Aktien herabsetzt,

wird der Wandlungspreis in Anwendung von § 10(a)(i) angepasst, soweit sich aus § 10(a)(iii) nichts anderes ergibt.

- (iii) Falls die Emittentin vor dem maßgeblichen Liefertag das Grundkapital der Emittentin durch Herabsetzung des auf die einzelne Aktie entfallenden anteiligen Betrages des Grundkapitals herabsetzt, bleibt der Wandlungspreis unverändert. In diesem Falle sind die betreffenden Lieferaktien mit ihrem jeweiligen neuen, auf die einzelne Aktie entfallenden anteiligen Betrag des Grundkapitals zu liefern.

Keine Anpassung des Wandlungspreises erfolgt im Falle einer Kapitalherabsetzung durch Einziehung von eigenen Aktien.

- (b) Kapitalerhöhung gegen Bareinlagen mit Bezugsrecht.

Falls die Emittentin vor dem maßgeblichen Liefertag unter Einräumung eines unmittelbaren oder mittelbaren Bezugsrechts an ihre Aktionäre ihr Grundkapital mittels der Ausgabe neuer Aktien der Emittentin gegen Bareinlagen erhöht (Bezugsrechtsemission) (§§ 182, 186 AktG) (ausgenommen eine Scrip-Dividende), wird der Wandlungspreis gemäß der nachstehenden Formel angepasst:

$$CP_a = CP \times \left[\frac{N_o}{N_n} \times \left(1 - \frac{I + D}{M} \right) + \frac{I + D}{M} \right]$$

Dabei gilt folgendes:

CPa= der angepasste Wandlungspreis;

CP= der unmittelbar vor dem Anpassungstag maßgebliche Wandlungspreis (vorbehaltlich § 10(j));

- (B) reduces its share capital by combining of shares,

the Conversion Price will be adjusted in accordance with § 10(a)(i) to the extent not otherwise provided for in § 10(a)(iii).

- (iii) If, prior to the relevant Settlement Date, the Issuer decreases the share capital of the Issuer by way of a reduction of the interest in the share capital represented by each share, the Conversion Price will remain unchanged. In this case, the relevant Settlement Shares will be delivered with their respective new interest in the share capital represented by each share.

No adjustment of the Conversion Price will be made in case of a capital decrease by cancelling treasury shares.

- (b) Capital Increase against Cash Contributions with Subscription Rights.

If, prior to the relevant Settlement Date, the Issuer increases its share capital by issuing new Shares against cash contributions with direct or indirect subscription rights of its shareholders (rights issue) (§§ 182, 186 AktG) (other than constituting a Scrip Dividend), the Conversion Price will be adjusted in accordance with the following formula:

$$CP_a = CP \times \left[\frac{N_o}{N_n} \times \left(1 - \frac{I + D}{M} \right) + \frac{I + D}{M} \right]$$

where:

CPa= the adjusted Conversion Price;

CP= the Conversion Price in effect immediately prior to the Adjustment Date (subject to § 10(j));

No= die Anzahl ausgegebener Aktien vor der Kapitalerhöhung;

Nn= die Anzahl ausgegebener Aktien nach der Kapitalerhöhung;

I= der Bezugspreis der neuen Aktien;

D= der von der Berechnungsstelle bestimmte etwaige Dividendennachteil (nicht diskontiert) der neuen Aktien gegenüber Altaktien an dem Stichtag der Bezugsrechtsemission; und

M= der Durchschnittliche Marktpreis.

Eine Anpassung des Wandlungspreises findet nicht statt, wenn bei Anwendung der obigen Formel CPa größer als CP wäre.

(c) Bezugsrechtsemission von Sonstigen Wertpapieren.

Falls die Emittentin ihren Aktionären vor dem maßgeblichen Liefertag ein unmittelbares oder mittelbares Bezugsrecht gewährt auf

(i) eigene Aktien (ausgenommen eine Scrip-Dividende);

(ii) Wertpapiere mit Bezugs-, Options- oder Wandlungsrechten auf oder Wandlungspflichten in Aktien (mit Ausnahme der Einräumung von Bezugsrechten im Rahmen von Kapitalerhöhungen nach § 10(b)); oder

(iii) andere Schuldverschreibungen, Genussscheine oder sonstige Wertpapiere der Emittentin

(die vorstehend unter (i) bis (iii) genannten Wertpapiere gemeinsam "**Sonstige Wertpapiere**"), wird der Wandlungspreis gemäß der nachstehenden Formel angepasst:

$$CP_a = CP \times \frac{M - F}{M}$$

No= the number of issued Shares before the share capital increase;

Nn= the number of issued Shares after the share capital increase;

I= the issue price of the new Shares;

D= the dividend disadvantage (not discounted), if any, of the new Shares compared to the old Shares on the Record Date of the rights issue, as determined by the Calculation Agent; and

M= the Average Market Price.

There will be no adjustment of the Conversion Price if CPa would, by applying the above formula, be greater than CP.

(c) Issue of Other Securities with Subscription Rights.

If, prior to the relevant Settlement Date, the Issuer grants to its shareholders direct or indirect subscription rights for

(i) treasury shares (*eigene Aktien*) (other than constituting a Scrip Dividend);

(ii) securities with subscription or option or conversion rights or conversion obligations in relation to Shares (but excluding the granting of subscription rights in the course of share capital increases in accordance with § 10(b)); or

(iii) other debt securities, participation rights or other securities of the Issuer

(the securities listed in (i) through (iii) together, the "**Other Securities**"), the Conversion Price will be adjusted in accordance with the following formula:

$$CP_a = CP \times \frac{M - F}{M}$$

Dabei gilt folgendes:

CPa= der angepasste Wandlungspreis;

CP= der unmittelbar vor dem Anpassungstag maßgebliche Wandlungspreis (vorbehaltlich § 10(j));

M= der Durchschnittliche Marktpreis, und

F= der Angemessene Marktwert der unmittelbaren oder mittelbaren Bezugsrechte auf Sonstige Wertpapiere, die zu erhalten ein Aktionär der Emittentin je Aktie berechtigt ist, an dem Ex-Tag der Gewährung.

Eine Anpassung des Wandlungspreises findet nicht statt, wenn bei Anwendung der obigen Formel CPa größer als CP wäre.

(d) Ausnahmen von Anpassungen.

Eine Anpassung des Wandlungspreises gemäß § 10(b) oder (c) erfolgt nicht, wenn die Emittentin jedem Anleihegläubiger das unmittelbare oder mittelbare Bezugsrecht auf die gleiche Anzahl neuer Aktien oder Sonstiger Wertpapiere einräumt, die zu erhalten der Anleihegläubiger berechtigt gewesen wäre, hätte er das Wandlungsrecht ausgeübt und die Lieferaktien unmittelbar vor dem Stichtag erhalten.

(e) Ausschüttungen.

Falls die Emittentin vor dem maßgeblichen Liefertag an ihre Aktionäre:

(A) (i) eine Bardividende oder (ii) Vermögenswerte (die nicht unter die nachstehenden Absätze (B) oder (C) fallen), einschließlich einer Sachdividende, aber ausschließlich Spaltungsaktien; oder

(B) Schuldverschreibungen, Options- oder Wandlungsrechte (mit Ausnahme der oben in § 10(c) genannten Rechte); oder

(C) Verkaufsoptionen im Falle eines Aktienrückkaufs

where:

CPa= the adjusted Conversion Price;

CP= the Conversion Price in effect immediately prior to the Adjustment Date (subject to § 10(j));

M= the Average Market Price; and

F= the Fair Market Value of the direct or indirect rights to subscribe for such Other Securities to which a shareholder of the Issuer is entitled per Share on the Ex Date of such grant.

The Conversion Price will not be adjusted if CPa is greater than CP after applying the above formula.

(d) Exceptions from Adjustments.

An adjustment of the Conversion Price in accordance with § 10(b) or (c) will not take effect if the Issuer grants each Bondholder the direct or indirect subscription rights to the same number of new Shares or Other Securities, as the case may be, to which such Bondholder would have been entitled had the Bondholder exercised the Conversion Right and received the Settlement Shares immediately prior to the Record Date.

(e) Distributions.

If, prior to the relevant Settlement Date, the Issuer distributes, allots or grants to its shareholders:

(A) (i) a Cash Dividend or (ii) assets (not falling under clauses (B) or (C) below) including any dividend in kind, but excluding any Spin-off Shares; or

(B) debt securities or warrants or conversion rights (with the exclusion of the rights mentioned above in § 10(c)); or

(C) put options in the case of a share repurchase,

ausschüttet, zuteilt oder gewährt, wird der Wandlungspreis gemäß der nachstehenden Formel angepasst:

$$CP_a = CP \times \frac{M - F}{M}$$

Dabei gilt folgendes:

CPa= der angepasste Wandlungspreis;

CP= der unmittelbar vor dem Anpassungstag maßgebliche Wandlungspreis (vorbehaltlich § 10(j));

M= der Durchschnittliche Marktpreis;

F= im Falle von (A) oder (B) der Angemessene Marktwert der Bardividende, Ausschüttung, Zuteilung oder Gewährung, die zu erhalten ein Aktionär der Emittentin je Aktie berechtigt ist, an dem Ex-Tag der Bardividende, Ausschüttung, Zuteilung oder Gewährung, und

im Falle von (C) der Verkaufsoptionswert der zugewiesenen oder gewährten Verkaufsoptionen je Aktie.

Eine Anpassung des Wandlungspreises findet nicht statt, wenn bei Anwendung der obigen Formel CPa größer als CP wäre.

(f) Anpassungen gemäß § 10(e) werden, auch bei Beschluss und/oder Ausschüttung am selben Tag, unabhängig und getrennt voneinander durchgeführt und berechnet.

(g) Übertragende Verschmelzung oder Aufspaltung.

Falls eine Verschmelzung (§ 2 UmwG) der Emittentin als übertragendem Rechtsträger oder eine Aufspaltung (§ 123 Absatz 1 UmwG) der Emittentin vor dem maßgeblichen Liefertag eintritt, hat jeder Anleihegläubiger das Recht auf Gewährung gleichwertiger Rechte an dem übernehmenden Rechtsträger bzw. den übernehmenden Rechtsträgern gemäß § 23 UmwG bzw. §§ 125, 23 UmwG.

the Conversion Price will be adjusted in accordance with the following formula:

$$CP_a = CP \times \frac{M - F}{M}$$

where:

CPa= the adjusted Conversion Price;

CP= the Conversion Price in effect immediately prior to the Adjustment Date (subject to § 10(j));

M= the Average Market Price;

F= in case of (A) or (B) the Fair Market Value of such Cash Dividend, distribution, allotment or grant to which a shareholder of the Issuer is entitled per Share on the Ex Date of such Cash Dividend, distribution, allotment or grant, and

In the case of (C) the Put Option Value of the put options allotted or granted per Share.

There will be no adjustment of the Conversion Price if CPa would, by applying the above formula, be greater than CP.

(f) Adjustments in accordance with § 10(e) will, also in case of a resolution and/or distribution on the same day, be made and calculated independently and separately of each other.

(g) Transferring Merger or Split-up.

If a merger (§ 2 UmwG) of the Issuer as transferor entity or a split-up (§ 123(1) UmwG) of the Issuer occurs prior to the relevant Settlement Date, each Bondholder will be entitled to receive equivalent rights in the transferee entity (*übernehmender Rechtsträger*) as provided by § 23 UmwG or §§ 125, 23 UmwG.

(h) Abspaltung.

Falls eine Abspaltung (§ 123 Absatz 2 UmwG) der Emittentin vor dem maßgeblichen Liefertag eintritt, wird der Wandlungspreis gemäß der nachstehenden Formel angepasst:

$$CP_a = CP \times \frac{M - F}{M}$$

Dabei gilt folgendes:

CPa= der angepasste Wandlungspreis;

CP= der unmittelbar vor dem Anpassungstag maßgebliche Wandlungspreis (vorbehaltlich § 10(j));

M= der Durchschnittliche Marktpreis; und

F= der Angemessene Marktwert der Anzahl der Spaltungsaktien, die zu erhalten ein Aktionär der Emittentin je Aktie berechtigt ist, an dem Ex-Tag der Abspaltung.

Eine Anpassung des Wandlungspreises findet nicht statt, wenn bei Anwendung der obigen Formel CPa größer als CP wäre.

(i) Falls vor dem maßgeblichen Liefertag eine Verschmelzung (§ 2 UmwG), bei der die Emittentin der übernehmende Rechtsträger ist, eine Ausgliederung eines Vermögenswerts oder mehrerer Vermögenswerte durch die Emittentin (§ 123 Absatz 3 UmwG) oder ein ähnliches Ereignis eintritt, bleibt der Wandlungspreis unverändert.

(j) Sofern Anpassungen des Wandlungspreises nach mehr als einer der Vorschriften von § 10(a), (b), (c), (e) oder (h) durchzuführen sind, oder sofern die Berechnung einer Anpassung nach einer dieser Vorschriften auf der Grundlage von Marktwerten erfolgt, die aufgrund einer anderen dieser Vorschriften zuvor anzupassen sind:

(i) wird, sofern der Stichtag für diese Anpassungen auf denselben Tag fällt, zuerst eine Anpassung nach § 10(a)(ii), zweitens nach § 10(e), drittens nach § 10(a)(i), viertens nach § 10(b), fünftens nach § 10(c) und schließlich

(h) Spin-off.

If a spin-off (*Abspaltung*, § 123(2) UmwG) of the Issuer occurs prior to the relevant Settlement Date, the Conversion Price will be adjusted in accordance with the following formula:

$$CP_a = CP \times \frac{M - F}{M}$$

where:

CPa= the adjusted Conversion Price;

CP= the Conversion Price in effect immediately prior to the Adjustment Date (subject to § 10(j));

M= the Average Market Price; and

F= the Fair Market Value of the number of Spin-off Shares to which a shareholder of the Issuer is entitled per Share, on the Ex Date of the spin off.

There will be no adjustment of the Conversion Price if CPa would, by applying the above formula, be greater than CP.

(i) If a merger (*Verschmelzung*, § 2 UmwG) of the Issuer as the acquiring entity (*übernehmender Rechtsträger*), or a hive down of one asset or several assets by the Issuer (*Ausgliederung*, § 123(3) UmwG), or an analogous event occurs prior to the relevant Settlement Date, the Conversion Price will remain unchanged.

(j) If adjustments of the Conversion Price are required under more than one of § 10(a), (b), (c), (e) or (h), or if the calculation of an adjustment under one of these provisions is based on market values which are required to be adjusted under another of these provisions beforehand, then such adjustment will be made:

(i) in the case of adjustments with the same Record Date by applying, first § 10(a)(ii), second § 10(e), third § 10(a)(i), fourth § 10(b), fifth § 10(c) and finally § 10(h), but

nach § 10(h) durchgeführt, aber nur soweit die jeweilige Vorschrift nach Maßgabe ihrer Bestimmungen anwendbar ist; und

- (ii) werden in anderen Fällen die maßgeblichen Ziffern gemäß der Abfolge ihrer Anpassungstage angewendet.

Falls in einem der in diesem § 10(j) beschriebenen Fälle die Berechnung einer Anpassung gemäß einer hier genannten Ziffer der Anwendung einer anderen Ziffer nachfolgt, und die Berechnung der zweiten Anpassung oder einer folgenden Anpassung sich auf den Durchschnittlichen Marktpreis oder auf den Aktienkurs in einem Zeitraum vor dem Ex-Tag für eine Maßnahme bezieht, die nach dem zuerst anzuwendenden Absatz zu einer Anpassung führt, so wird dieser Durchschnittliche Marktpreis oder der Aktienkurs dieser Zeiträume zu dem Zwecke der Berechnung nachfolgender Anpassungen mit dem Faktor multipliziert, der bei der Multiplikation der vorangehenden Anpassung angewendet wurde. Falls der Verkaufsoptionswert oder der Angemessene Marktwert bezogen auf den Marktwert der Aktie während dieses Zeitraums berechnet wurde, setzt die Berechnungsstelle oder ein Unabhängiger Sachverständiger gegebenenfalls den Verkaufsoptionswert oder den Angemessenen Marktwert auf Basis der entsprechend angepassten Marktwerte fest.

(k) Falls

- (i) die Emittentin feststellt, oder
- (ii) die Zahlstelle Erklärungen von Anleihegläubigern erhalten hat, die zusammen Schuldverschreibungen mit einem gesamten Nennbetrag von mindestens 10% des gesamten Nennbetrags der sich zu diesem Zeitpunkt insgesamt im Umlauf befindenden Schuldverschreibungen halten, die feststellen,

dass Ereignisse oder Umstände eingetreten sind, die außerhalb der Vorgaben von § 10(a) bis (h) eine Anpassung wegen Verwässerung notwendig machen (mit Ausnahme solcher Ereignisse oder Umstände, die ausdrücklich von der Anwendung der § 10(a) bis (h) ausgeschlossen sind), wird die

only to the extent each such provision is applicable in accordance with its terms; and

- (ii) in other cases by applying the relevant subsections in the sequence in which their Adjustment Dates occur.

If in any of the cases referred to in this § 10(j), the calculation of an adjustment under one of the aforementioned subsections is made subsequent to the application of any of the other subsections, and the calculation of the second or any subsequent adjustment refers to the Average Market Price or Share Price in a period prior to the Ex Date for the measure requiring adjustment in accordance with the clause which is to be applied first, the Average Market Price or Share Price for those periods, for purposes of the calculation of the subsequent adjustment, will be multiplied by the factor used for making the multiplication in the calculation of the preceding adjustment. To the extent that the Put Option Value or the Fair Market Value is calculated by reference to the market value of the Share during such period, the Calculation Agent or an Independent Expert, as the case may be, will calculate the Put Option Value or the Fair Market Value, where applicable, on the basis of the market values so adjusted.

(k) If

- (i) the Issuer determines, or
- (ii) the Paying Agent has received notices from Bondholders holding Bonds in an aggregate Principal Amount of at least 10 per cent. of the aggregate Principal Amount of all Bonds then outstanding who determine

that another adjustment for dilution should be made as a result of one or more events or circumstances not referred to above in § 10(a) to (h) (except for events or circumstances that are specifically excluded from the operation of § 10(a) to (h)), the Issuer will, at its own expense

Emittentin auf eigene Kosten und in Abstimmung mit der Berechnungsstelle einen Unabhängigen Sachverständigen um eine umgehende Feststellung ersuchen, welche weitere Anpassung gegebenenfalls den Umständen entsprechend billig und angemessen ist und welcher Tag der Anpassungstag ist. Der Unabhängige Sachverständige wird gegebenenfalls eine solche Anpassung vorsehen, die gemäß dessen Feststellung an dem Anpassungstag wirksam wird.

Keine Anpassungen erfolgen im Hinblick auf die Ausgabe von Aktien, Aktienoptionen oder Wandelgenussrechten oder Aktienbeteiligungsprogramme oder ähnliche Programme für Mitglieder des Vorstands oder des Aufsichtsrats (oder, im Falle von Tochtergesellschaften, deren Gremien bzw. Organe) oder Mitarbeiter der Emittentin und/oder ihrer Tochtergesellschaften.

Keine Anpassungen erfolgen ferner im Zusammenhang mit der Ausgabe von Aktien oder Sonstiger Wertpapiere, für die das Bezugsrecht der Aktionäre mittelbar (bedingtes Kapital) oder unmittelbar ausgeschlossen ist.

- (l) Anpassungen nach Maßgabe dieses § 10 werden zu Beginn des Anpassungstags wirksam.

"Anpassungstag" bezeichnet:

- (i) im Falle einer Anpassung gemäß § 10(a), den von der Berechnungsstelle bestimmten Tag, an dem das die Anpassung auslösende Ereignis wirksam wird;
- (ii) im Falle einer Anpassung gemäß § 10(b), § 10(c), § 10(e) oder § 10(h), den betreffenden Ex-Tag, frühestens jedoch den ersten Tag, an dem die betreffende Anpassung festgestellt werden kann;
- (iii) im Falle einer Anpassung gemäß § 10(g), den Tag, an dem die Verschmelzung (§ 2 UmwG) oder eine Aufspaltung (§ 123 Absatz 1 UmwG) der Emittentin wirksam wird; oder

and in consultation with the Calculation Agent, request an Independent Expert to determine as soon as practicable what further adjustment (if any) is fair and reasonable to take account thereof and the Adjustment Date. The Independent Expert will make such adjustment (if any) which will take effect in accordance with such determination on the Adjustment Date.

No adjustments will be made in relation to the issuance of shares, stock options or convertible participation rights or stock ownership programmes or similar programmes for any members of the management board or supervisory board (or, in the case of Subsidiaries, their corporate bodies or boards) or employees of the Issuer and/or any of its Subsidiaries.

No adjustments shall furthermore be made in relation to the issue of shares or Other Securities for which the subscription right of shareholders has been indirectly (conditional capital) or directly excluded.

- (l) Adjustments in accordance with this § 10 will become effective as of the beginning of the Adjustment Date.

"Adjustment Date" means:

- (i) in the case of an adjustment pursuant to § 10(a), the date on which the event triggering the adjustment becomes effective, as determined by the Calculation Agent,
- (ii) in the case of an adjustment pursuant to § 10(b), § 10(c), § 10(e) or § 10(h), the relevant Ex Date or, if later, the first date on which such adjustment is capable of being determined;
- (iii) in the case of an adjustment in accordance with § 10(g), the date on which the merger (*Verschmelzung*, § 2 UmwG) or the split-up (*Aufspaltung*, § 123(1) UmwG) of the Issuer becomes effective; or

- (iv) im Falle einer Anpassung gemäß § 10(k), den von dem Unabhängigen Sachverständigen festgelegten Tag, an dem die Anpassung wirksam wird.
- (m) Im Falle von Schuldverschreibungen, für die das Wandlungsrecht ausgeübt wurde, werden keine Anpassungen nach Maßgabe dieses § 10 vorgenommen, sofern der Anpassungstag nach dem Liefertag liegt.
- (n) Anpassungen nach den vorstehenden Bestimmungen werden durch die Berechnungsstelle berechnet. Der gemäß diesem § 10 angepasste Wandlungspreis wird auf vier Dezimalstellen gerundet, wobei € 0,00005 aufgerundet wird.
- (o) Es erfolgt keine Anpassung des Wandlungspreises, soweit der Wandlungspreis unter den auf die einzelne Aktie entfallenden anteiligen Betrag des Grundkapitals der Emittentin (§ 9 Absatz 1 AktG) zu dem Zeitpunkt einer solchen Anpassung herabgesetzt würde. Unbeschadet des Vorstehenden, erfolgt die Berechnung etwaiger späterer Anpassungen bei Eintritt eines Ereignisses, das ohne diesen § 10(n) zu einer Anpassung des Wandlungspreises auf einen Betrag führen würde, der geringer ist als der durch die jeweilige Aktie repräsentierte Anteil am Grundkapital der Emittentin, auf Basis des Wandlungspreises, der sich ergeben hätte, wenn dieser § 10(n) keine Anwendung gefunden hätte. Liegt das Ergebnis solcher Berechnungen unter dem auf die einzelne Aktie entfallenden anteiligen Betrag des Grundkapitals der Emittentin, so entspricht der Wandlungspreis dem auf die einzelne Aktie entfallenden anteiligen Betrag des Grundkapitals der Emittentin. Soweit eine Anpassung des Wandlungspreises aufgrund dieses § 10(n) nicht durchgeführt werden kann, ist die Emittentin nicht dazu verpflichtet, den Anleihegläubigern eine Barauszahlung oder anderen Ausgleich anzubieten.
- (iv) in the case of an adjustment pursuant to § 10(k), the date on which such adjustment becomes effective, as determined by the Independent Expert.
- (m) In the case of Bonds in respect of which the Conversion Right has been exercised no adjustments in accordance with this § 10 will be made if the Adjustment Date is later than the Settlement Date.
- (n) Adjustments in accordance with the foregoing provisions will be calculated by the Calculation Agent. The Conversion Price determined in accordance with this § 10 will be rounded to four decimal places with €0.00005 being rounded upwards.
- (o) No adjustment to the Conversion Price will be made to the extent that the Conversion Price would thereby be reduced below the interest in the Issuer's share capital represented by each share (§ 9(1) AktG) effective as of the date of such adjustment. Without prejudice to the foregoing, upon any event which, but for this § 10(n), would result in an adjustment to the Conversion Price to an amount which is less than the interest in the share capital of the Issuer represented by each share, the calculation of any subsequent adjustments will be made on the amount of the Conversion Price which would have resulted had this § 10(n) not applied. If the result of such adjustments is below the interest in the Issuer's share capital represented by each share, the Conversion Price will be equal to the interest in the Issuer's share capital represented by each share. To the extent that an adjustment to the Conversion Price cannot occur as a result of this § 10(n), the Issuer will not be obliged to compensate the Bondholders by a cash payment or in any other way.

- (p) In diesen Emissionsbedingungen haben die folgenden Begriffe die ihnen nachfolgend zugewiesene Bedeutung:

"Angemessener Marktwert" einer Dividende, eines Bezugsrechts oder einer sonstigen Ausschüttung, Zuteilung oder Gewährung von Wertpapieren (einschließlich Spaltungsaktien), Rechten oder sonstigen Vermögensgegenständen an einem FMV-Tag bezeichnet,

- (i) falls die Emittentin an ihre Aktionäre eine Bardividende (mit Ausnahme einer Scrip Dividende) zahlt oder einen sonstigen Geldbetrag ausschüttet, den Betrag der Bardividende bzw. den Betrag der sonstigen Ausschüttung in Geld je Aktie vor dem Abzug von Quellensteuer an diesem FMV-Tag, wie von der Berechnungsstelle festgestellt;
- (ii) im Fall einer Scrip Dividende, den höheren der folgenden, von der Berechnungsstelle bestimmten Beträge:
 - (A) den Geldbetrag der Scrip Dividende an diesem FMV-Tag, und
 - (B) den Wert der von der Emittentin alternativ zu diesem Geldbetrag angebotenen Aktien oder sonstigen Wertpapiere, Rechte oder sonstigen Vermögensgegenstände. Dieser Wert entspricht:

i. im Fall von Aktien

- 1. dem gemäß der in dem nachstehenden Absatz (iii) enthaltenen Formel berechneten Angemessenen Marktwert der Aktien an diesem FMV-Tag, bzw.
- 2. wenn der Scrip-Feststellungstermin auf den oder nach dem Ex-Tag der Scrip Dividende fällt, dem Produkt aus der Anzahl der je existierender Aktie ausgeschütteten Aktien und dem rechnerischen Durchschnitt der täglichen Aktienkurse an den letzten drei Handelstagen, die an dem Handelstag (ein-

- (p) In these Terms and Conditions the following terms will have the following meaning:

"Fair Market Value" of a dividend, a subscription right or any other distribution, allotment or grant of securities (including Spin-off Shares), rights or other assets, on any FMV Date, means,

- (i) if the Issuer pays to its shareholders a Cash Dividend (other than a Scrip Dividend) or distributes any other cash amount, the amount of such Cash Dividend or the amount of such other distribution in cash per Share prior to deduction of any withholding tax on such FMV Date, as determined by the Calculation Agent;
- (ii) in the case of a Scrip Dividend, the greater, as determined by the Calculation Agent, of the following amounts:

- (A) the cash amount thereof on such FMV Date; and
- (B) the value of the Shares or other securities, rights or assets offered by the Issuer as an alternative to such cash amount. Such value will be equal to:

i. in the case of Shares

- 1. the Fair Market Value on such FMV Date as calculated in accordance with the formula in the following clause (iii); and
- 2. if the Scrip Determination Date falls on or after the Ex Date of the Scrip Dividend, the product of the number of Shares distributed per existing Share and the arithmetic average of the daily Share Prices on the three Trading Days ending on and including the Trading Day prior to the Scrip Determination Date (provided

schließlich) vor dem Scrip-Feststellungstermin enden (wobei falls die Aktie an einem oder mehreren Handelstagen "cum-" der betreffenden Scrip Dividende notiert, wird der tägliche Aktienkurs an jedem der betreffenden Handelstage um einen Betrag vermindert, der dem Angemessenen Marktwert der Scrip Dividende an deren Ex-Tag entspricht), und

- ii. im Falle von sonstigen Wertpapieren, Rechten oder sonstigen Vermögensgegenständen dem gemäß Absatz (iv) bzw. Absatz (v) festgestellten Angemessenen Marktwert der sonstigen Wertpapiere, Rechte oder sonstigen Vermögensgegenstände an dem späteren der folgenden Tage: (1) dem Ex-Tag der Scrip-Dividende und (2) dem Scrip-Feststellungstermin, wobei die Berechnungsstelle alle Feststellungen trifft;
- (iii) im Falle von Aktien (für Zwecke von § 10(e)(A) oder dem vorgenannten Abschnitt (ii)(B) i. 1.), den von der Berechnungsstelle gemäß der folgenden Formel berechneten Betrag:

$$F = \frac{M \times N}{(1 + N)}$$

Dabei gilt folgendes:

F= der Angemessene Marktwert an diesem FMV-Tag;

M= der Durchschnittliche Marktpreis; und

N= die Anzahl der je existierender Aktie ausgeschütteten Aktien;

- (iv) im Fall einer sonstigen Ausschüttung, Zuteilung oder Gewährung von sonstigen Wertpapieren (einschließlich Spaltungsaktien), Rechten oder sonstiger Vermögensgegenständen, die an einer Wertpapierbörse oder

that if the Share is quoted "cum-" such Scrip Dividend on one or more of such Trading Days, the relevant daily Share Price on each such Trading Day shall be reduced by an amount equal to the Fair Market Value of such Scrip Dividend on the Ex-Date of such Scrip Dividend), and

- ii. in the case of other securities, rights or assets, the Fair Market Value of such other securities, rights or assets, as at the later of (1) the Ex Date of the Scrip Dividend and (2) the Scrip Determination Date, as determined pursuant to clause (iv) or, as the case may be, clause (v) below, all as determined by the Calculation Agent;
- (iii) in the case of Shares (for the purposes of § 10(e)(A) or clause (ii)(B) i. 1. above), the amount calculated by the Calculation Agent in accordance with the following formula:

$$F = \frac{M \times N}{(1 + N)}$$

where:

F= the Fair Market Value on such FMV Date;

M= the Average Market Price; and

N= the number of Shares distributed per existing Share;

- (iv) in the case of any other distribution, allotment or grant of other securities (including Spin-off Shares), rights or other assets which are publicly traded on a stock exchange or securities market of adequate liquidity (as determined by the Calculation

einem Wertpapier-Markt mit adäquater Liquidität (wie durch die Berechnungsstelle festgelegt) öffentlich gehandelt werden, die Anzahl der je Aktie ausgeschütteten, zuteilten oder gewährten sonstigen Wertpapiere, Rechte oder sonstigen Vermögensgegenstände multipliziert mit dem rechnerischen Durchschnitt der täglichen Wertpapierkurse für das betreffende Wertpapier, das betreffende Recht oder den betreffenden sonstigen Vermögensgegenstand an den fünf Handelstagen (oder einem gegebenenfalls kürzeren Zeitraum, innerhalb dessen die betreffenden Wertpapiere, Rechte oder sonstigen Vermögensgegenstände öffentlich gehandelt werden), die an dem betreffenden FMV-Tag (frühestens jedoch an dem betreffenden Angepassten FMV-Tag) beginnen, wie durch die Berechnungsstelle berechnet; oder

- (v) im Falle einer sonstigen Ausschüttung, Zuteilung oder Gewährung von sonstigen Wertpapieren (einschließlich Spaltungsaktien), Rechten oder sonstigen Vermögensgegenständen, die nicht an einer Wertpapierbörse oder einem Wertpapier-Markt mit adäquater Liquidität öffentlich gehandelt werden, den von einem Unabhängigen Sachverständigen festgelegten Angemessenen Marktwert an diesem FMV-Tag, der je Aktie ausgeschütteten Wertpapiere, Rechte oder sonstigen Vermögensgegenstände,

jeweils (sofern erforderlich) umgerechnet in EUR mit dem an dem betreffenden FMV-Tag (bzw., soweit anwendbar, an dem betreffenden Angepassten FMV-Tag) geltenden Maßgeblichen Wechselkurs.

Dabei bezeichnet:

"Angepasster FMV-Tag" den ersten Handelstag, an dem die betreffenden Wertpapiere, Rechte oder sonstigen Vermögensgegenstände öffentlich gehandelt werden.

Agent), the number of such other securities, rights or other assets distributed per Share multiplied by the arithmetic average of the daily Security Prices of such security, right or other asset on the five Trading Days (or such shorter period as such securities, rights or other assets are publicly traded) beginning on such FMV Date (or, if later, the Adjusted FMV Date), as calculated by the Calculation Agent; or

- (v) in the case of any other distribution, allotment or grant of other securities (including Spin-off Shares), rights or other assets which are not publicly traded on a stock exchange or securities market of adequate liquidity, the fair market value on such FMV Date of such other securities, rights or other assets distributed as determined by an Independent Expert,

in each case converted (if necessary) into EUR at the Relevant FX Rate in effect on the relevant FMV Date (or the relevant Adjusted FMV Date, if applicable).

Where:

"Adjusted FMV Date" means the first such Trading Day on which the relevant securities, rights or other assets are publicly traded.

"FMV-Tag" jeden Tag, für den ein Angemessener Marktwert eines Wertpapiers, Rechts oder sonstigen Vermögensgegenstands bestimmt wird.

"Maßgeblicher Wechselkurs" für die Umrechnung von einer Währung in EUR an einem bestimmten Tag den Kassa-Wechselmittelkurs (spot mid-rate) zwischen den betreffenden Währungen um 13:00 Uhr Frankfurter Zeit an diesem Tag, wie er auf der Bloomberg Bildschirmseite BFIX (oder einer Nachfolger-Bildschirmseite) erscheint oder von dieser hergeleitet wird.

Falls der Maßgebliche Wechselkurs nicht gemäß den vorstehenden Bestimmungen ermittelt werden kann, ist der Maßgebliche Wechselkurs der in entsprechender Anwendung der vorstehenden Regelungen bestimmte Wechselkurs an dem letzten Tag vor dem betreffenden Tag, an dem der Wechselkurs ermittelt werden kann. Wenn der Maßgebliche Wechselkurs nicht auf diese Weise ermittelt werden kann, dann wird ein Unabhängiger Sachverständiger den Maßgeblichen Wechselkurs auf der Basis solcher Notierungen oder anderer Informationen bestimmen, die dieser Unabhängige Sachverständige für maßgeblich hält; eine solche Bestimmung ist abschließend.

"Scrip-Feststellungstermin" den späteren der folgenden Tage: (i) den letzten Tag, an dem ein Aktionär der Emittentin das in der Definition des Begriffs "Scrip-Dividende" beschriebene Wahlrecht ausüben kann und (ii) den Tag an dem die Anzahl der je existierender Aktie ausgeschütteten Aktien oder anderen Wertpapiere, Rechte oder sonstigen Vermögensgegenstände festgestellt wird.

"Bardividende" bezeichnet jede von der Emittentin in Geld gezahlte Dividende oder anderweitige Ausschüttung in Geld je Aktie vor

"FMV Date" means any date for which the Fair Market Value of any security, right or other asset is to be determined.

"Relevant FX Rate" means on any day, and, in respect of the conversion of any currency into EUR, the spot mid-rate of exchange at 1:00 p.m. Frankfurt time on that day for such pair of currencies as appearing on or derived from Bloomberg page BFIX (or any successor page thereto).

If the Relevant FX Rate cannot be determined in accordance with the foregoing provisions, the Relevant FX Rate shall be the exchange rate determined mutatis mutandis in accordance with the foregoing provisions on the last day preceding such day on which such rate can be determined. If the Relevant FX Rate cannot be so determined, an Independent Expert will determine the Relevant FX Rate on the basis of such quotations or other information as such Independent Expert considers appropriate; any such determination will be conclusive.

"Scrip Determination Date" means the later of the (i) the last date on which a shareholder of the Issuer can make such election as is referred to in the definition of "Scrip Dividend", and (ii) the date on which the number of Shares or other securities, rights or assets granted per existing Ordinary Share is determined.

"Cash Dividend" means any cash dividend or other cash distribution paid by the Issuer per Share prior to deduction of any withholding tax

dem Abzug von Quellensteuer und schließt jede Abschlagszahlung auf den Bilanzgewinn ein.

Wenn die Emittentin den Aktionären eine Option einräumt, Bardividenden in Form von Aktien oder anderen Wertpapieren, Rechten oder Vermögensgegenständen anstelle des entsprechenden Geldbetrags ausgeschüttet zu bekommen (wobei die Bardividende, die Gegenstand einer solchen Option ist, als "**Scrip Dividende**" bezeichnet wird), gilt eine solche Scrip Dividende als Bardividende in einer Höhe, die entsprechend Absatz (ii) der Definition des "**Angemessenen Marktwerts**" bestimmt wird.

"**Durchschnittlicher Marktpreis**" bezeichnet den rechnerischen Durchschnitt der täglichen Aktienkurse an den letzten drei Handelstagen vor dem Ex-Tag, wie von der Berechnungsstelle berechnet.

"**Ex-Tag**" bezeichnet jeweils den ersten Handelstag, an dem die Aktie "ex Dividende" bzw. "ex Bezugsrecht" oder "ex" sonstige Ausschüttung, Zuteilung oder Gewährung von Wertpapieren, Rechten oder sonstigen Vermögensgegenständen gehandelt wird.

"**Spaltungsaktien**" bezeichnet die Aktien an dem übernehmenden Rechtsträger bzw. den übernehmenden Rechtsträgern, die ein Aktionär der Emittentin im Zuge der Abspaltung (§ 123 Absatz 2 UmwG) zu erhalten berechtigt ist.

"**Stichtag**" bezeichnet den relevanten Zeitpunkt für die Bestimmung der Berechtigung der Aktionäre der Emittentin, Wertpapiere, Rechte, Bezugsrechte, Options- oder Wandlungsrechte, eine Dividende, eine Ausschüttung oder Spaltungsaktien oder sonstige Rechte zu erhalten (oder einen vergleichbaren, von der Berechnungsstelle (sofern diese in eigenem Ermessen feststellt, in der Lage zu sein, in ihrer Eigenschaft als Berechnungsstelle eine solche Bestimmung vorzunehmen) oder von einem Unabhängigen Sachverständigen für die betreffenden Umstände festgelegten Zeitpunkt).

and includes any payment on account of a balance sheet profit.

If the Issuer grants to the shareholders an option to receive any Cash Dividend distributed in the form of Shares or other securities, rights or assets in lieu of the cash amount thereof (the cash dividend subject to such option, a "**Scrip Dividend**"), then such Scrip Dividend shall be deemed to be a Cash Dividend in an amount determined in accordance with clause (ii) of the definition of the term "**Fair Market Value**".

"**Average Market Price**" means the arithmetic average of the daily Share Prices, on the last three Trading Days before the Ex Date, as calculated by the Calculation Agent.

"**Ex Date**" means the first Trading Day on which the Share is traded "ex dividend" or "ex subscription right" or "ex" any other distribution, allotment or grant of securities, rights or other assets.

"**Spin-off Shares**" means the shares in the acquiring entity (entities) which a shareholder of the Issuer is entitled to receive in the course of the spin-off (§ 123(2) UmwG).

"**Record Date**" means the relevant time for the determination of the entitlement of shareholders of the Issuer to receive securities, rights, subscription rights, option or conversion rights, a dividend, a distribution or Spin-off Shares or other entitlements (or any other equivalent time in respect of the relevant circumstances as determined by the Calculation Agent (provided that such Calculation Agent determines, in its sole discretion, that it is capable, acting in such Calculation Agent capacity, of performing such determination) or an Independent Expert).

"Verkaufsoptionswert" (berechnet je Aktie) bezeichnet:

- (i) den von der EUREX auf Basis der Marktlage an dem letzten Handelstag vor Beginn des Verkaufsoptionshandels ermittelten Wert der Verkaufsoption; oder
- (ii) falls ein solcher Wert (weil Optionen auf die Aktien an der EUREX nicht gehandelt werden oder aus sonstigen Gründen) von der EUREX nicht bekannt gegeben wird, den Schlusskurs des Rechts zum Verkauf von Aktien an dem Relevanten Markt an dem Ex-Tag; oder
- (iii) falls ein solcher Schlusskurs nicht feststellbar ist, den Wert der Verkaufsoption an dem Ex-Tag, der von einem Unabhängigen Sachverständigen unter Berücksichtigung der Marktlage während des Zeitraums, in dem die maßgeblichen Verkaufsoptionen gehandelt werden, bestimmt wird.

"Wertpapierkurs" an einem Handelstag bezeichnet

- (i) den volumengewichteten durchschnittlichen Kurs des betreffenden Wertpapiers, Rechts oder sonstigen Vermögensgegenstands an dem Relevanten Markt an dem jeweiligen Handelstag, wie er
 - (A) auf der Bloomberg Bildschirmseite HP (Einstellung "Weighted Average Line") für das betreffende Wertpapier, das betreffende Recht oder den betreffenden sonstigen Vermögensgegenstand im Hinblick auf den Relevanten Markt und den betreffenden Handelstag in dem Bloomberg Informationssystem (oder auf einer Nachfolgerseite bzw. unter einer Nachfolgeeinstellung) angezeigt wird, bzw.
 - (B) wenn kein solcher volumengewichteter durchschnittlicher Kurs des betreffenden Wertpapiers, Rechts oder sonstigen Vermögensgegenstands in dem Bloomberg Informationssystem erhältlich ist,

"Put Option Value" means (calculated on a per Share basis):

- (i) the value of the put option, as determined by EUREX on the basis of the market situation prevailing on the Trading Day before the put option commences to be traded; or
- (ii) if such value is not published by EUREX (because options on the shares are not traded on EUREX or for any other reason), the closing price of the right to sell shares on the Relevant Market on the Ex Date; or
- (iii) if such closing price is not available, the value of the put option on the Ex-Date which will be determined by an Independent Expert taking into account the prevailing market conditions during the period in which the relevant put options are traded.

"Security Price" on any Trading Day means

- (i) the volume-weighted average price of the security, right or other asset on the Relevant Market on the relevant Trading Day
 - (A) appearing on the Bloomberg screen page HP (setting "Weighted Average Line") for such security, right or other asset in respect of the Relevant Market and the relevant Trading Day on the Bloomberg information system (or any successor screen page or setting), or
 - (B) if no such volume-weighted average price of the security, right or other asset is available as aforesaid from the Bloomberg information system, the volume-weighted average price of the

den volumengewichteten durchschnittlichen Kurs des betreffenden Wertpapiers, Rechts oder sonstigen Vermögensgegenstands an dem Relevanten Markt an dem jeweiligen Handelstag, wie er von dem Relevanten Markt (oder einer anderen, von einem Unabhängigen Sachverständigen festgelegten adäquaten Quelle) hergeleitet wird, bzw.

security, right or other asset on the Relevant Market on the relevant Trading Day as derived from the Relevant Market (or other appropriate source as determined by an Independent Expert), or

- (ii) wenn kein solcher volumengewichteter durchschnittlicher Kurs des betreffenden Wertpapiers, Rechts oder sonstigen Vermögensgegenstands erhältlich ist, den offiziellen Schlusskurs des betreffenden Wertpapiers, Rechts oder sonstigen Vermögensgegenstands an dem Relevanten Markt an dem betreffenden Handelstag, bzw.
- (iii) wenn kein solcher offizieller Schlusskurs des betreffenden Wertpapiers, Rechts oder sonstigen Vermögensgegenstands an dem Relevanten Markt an dem betreffenden Handelstag veröffentlicht wird, den letzten veröffentlichten Kurs des betreffenden Wertpapiers, Rechts oder sonstigen Vermögensgegenstands an dem Relevanten Markt an dem jeweiligen Handelstag; bzw.
- (iv) wenn keine solchen Notierungen oder Preise erhältlich sind, wird ein Unabhängiger Sachverständiger den Wertpapierkurs auf der Basis solcher Notierungen oder anderer Informationen bestimmen, die dieser Unabhängige Sachverständige für maßgeblich hält; eine solche Bestimmung ist abschließend. Falls die Feststellung des Wertpapierkurses eingestellt wird, schließt eine Bezugnahme auf den Wertpapierkurs in diesen Emissionsbedingungen die Bezugnahme auf einen Kurs, der den Wertpapierkurs (i) kraft Gesetzes oder (ii) aufgrund einer allgemein akzeptierten Marktpraxis ersetzt, ein.
- (q) Die Emittentin wird eine Anpassung des Wandlungspreises und/oder jede andere Anpassung der
- (ii) if no such volume-weighted average price of the security, right or other asset is available as aforesaid, the official closing price of the security, right or other asset as reported on the Relevant Market on the relevant Trading Day, or
- (iii) if no such official closing price of the security, right or other asset is reported on the Relevant Market on the relevant Trading Day, the last reported official quotation of the security, right or other asset on the Relevant Market on the relevant Trading Day; or
- (iv) if no such quotations or prices are available, an Independent Expert will determine the Security Price on the basis of such quotations or other information as such Independent Expert considers appropriate; any such determination will be conclusive. Any reference in these Terms and Conditions to the Security Price will include, if the determination of the Security Price is discontinued, a reference to a quotation which replaces the Security Price (i) by operation of law or (ii) on the basis of generally accepted market practice.
- (q) The Issuer will give notice in accordance with § 14 of an adjustment to the Conversion Price

Bedingungen des Wandlungsrechts unverzüglich gemäß § 14 bekanntmachen.

- (r) Bei der Berechnung oder Festlegung eines Aktienkurses, eines Wertpapierkurses, eines Angemessenen Marktwerts, eines Durchschnittlichen Marktpreises werden diejenigen Anpassungen vorgenommen, die die Berechnungsstelle (vorausgesetzt, die Berechnungsstelle stellt in eigenem Ermessen fest, dass sie in der Lage ist, in ihrer Eigenschaft als Berechnungsstelle eine solche Anpassung vorzunehmen) oder ein Unabhängiger Sachverständiger für angemessen hält, um einer Ausgabe von Aktien im Zuge von Kapitalerhöhungen durch Umwandlung der Kapitalrücklage oder Gewinnrücklagen (§ 10(a)(i)), einem Aktiensplit, einem umgekehrten Aktiensplit oder einer Zusammenlegung (§ 10(a)(ii)), einer Aktienausgabe im Rahmen einer Kapitalerhöhung mit Bezugsrecht (§ 10(b)), einer Bezugsrechtsemission bezüglich Sonstiger Wertpapiere (§ 10(c)) oder einem ähnlichen Ereignis Rechnung zu tragen, oder um einer Ausschüttung oder einer sonstigen Berechtigung Rechnung zu tragen (soweit dies erforderlich ist, um das gewünschte Ergebnis zu erhalten), bezüglich der die Aktie an dem betreffenden Tag oder in dem betreffenden Zeitraum "cum-" oder "ex-" notiert.
- (s) Soweit eine Anpassung des Wandlungspreises gemäß diesen Emissionsbedingungen dazu führen würde, dass die Emittentin, (i) bei Ausübung aller ausstehenden Schuldverschreibungen Lieferaktien mit einem anteiligen Betrag des Grundkapitals liefern müsste, der insgesamt denjenigen Betrag, der aus bedingtem Kapital oder bestehenden eigenen Aktien rechtlich zulässig geliefert werden kann, übersteigt, oder (ii) zusätzliche Lieferaktien liefern müsste, zu deren Lieferung sie nicht befugt ist, findet § 8(c) entsprechende Anwendung.

and/or any other adjustment to the terms of the Conversion Right without undue delay.

- (r) In making any calculation or determination of a Share Price, a Security Price, a Fair Market Value, an Average Market Price, adjustments (if any) shall be made as the Calculation Agent (provided that the Calculation Agent determines, in its sole discretion, that it is capable, acting in such Calculation Agent capacity, of performing such adjustment) or as an Independent Expert considers appropriate to reflect any issue of shares as a result of a share capital increase from the conversion of a capital reserve or retained earnings (§ 10(a)(i)), any share split/reverse share split or combining of shares (§ 10(a)(ii)), any issue of shares as a result of a share capital increase against contributions with subscription rights (§ 10(b)), any issue of Other Securities with subscription rights (§ 10(c)) or any similar event, or to take account (to the extent required to give the intended result) of any distribution or other entitlement in respect of which the Share is quoted "cum-" or "ex-" on the relevant day or during the relevant period.
- (s) To the extent that any adjustment of the Conversion Price in accordance with these Terms and Conditions would require the Issuer, (i) assuming exercise of all outstanding Bonds, to deliver Settlement Shares with an aggregate interest in the share capital represented by them in excess of the available and legally permissibly deliverable conditional capital or existing shares held in treasury, or (ii) to deliver additional Settlement Shares without being duly authorised to do so, § 8(c) shall apply mutatis mutandis.

§ 11 Wandlungsrecht bei Kontrollwechsel, Übernahmeangebot

(a) Kontrollwechsel.

- (i) Wenn ein Kontrollwechsel eintritt, wird die Emittentin, unverzüglich nachdem sie Kenntnis davon erhalten hat, den Kontrollwechsel und den Kontrollwechselstichtag gemäß § 14 bekanntmachen.
- (ii) Falls ein Kontrollwechsel eintritt und ein Anleihegläubiger das Wandlungsrecht für eine Schuldverschreibung während des Zeitraums ab dem Tag, an dem die Emittentin gemäß § 11(a)(i) den Kontrollwechsel bekanntmacht, (einschließlich) bis um 16:00 Uhr (Frankfurter Zeit) an dem Kontrollwechselstichtag (einschließlich) wirksam ausübt, endet der Zinslauf der betreffenden Schuldverschreibung mit dem Ablauf des Tages, der dem Kontrollwechselstichtag unmittelbar vorangeht (§ 4 (b) (iii)).

(b) Übernahmeangebot.

- (i) (A) Wenn ein Bieter ein Übernahmeangebot gemäß § 14 Absatz 2 WpÜG veröffentlicht, wird die Emittentin unverzüglich, nachdem sie Kenntnis von der Veröffentlichung erhalten hat, das Übernahmeangebot und den voraussichtlichen Annahmestichtag gemäß § 14 bekanntmachen.

(B) Mit Veröffentlichung der Mitteilung gemäß § 11(b)(i)(A) durch die Emittentin kann jeder Anleihegläubiger (in seinem Ermessen):

(I) (in Bezug auf jedes Übernahmeangebot einschließlich eines Bedingten Übernahmeangebots) das Wandlungsrecht während der Übernahmeangebots-Wandlungsfrist gemäß § 8 ausüben und in diesem Fall bestimmt sich der Wandlungstag nach § 8(b)(iv)(B); oder

(II) (ausschließlich in Bezug auf ein Bedingtes Übernahmeangebot) das

§ 11 Conversion Right Upon Change of Control, Take-over Bid

(a) Change of Control.

- (i) If a Change of Control occurs, the Issuer will, without undue delay after becoming aware thereof, give notice in accordance with § 14 of the Change of Control and the Change of Control Record Date.
- (ii) If a Change of Control occurs and a Bondholder validly exercises the Conversion Right in respect of any Bond during the period from and including the date on which the Issuer gives notice in accordance with § 11(a)(i) of the Change of Control to and including 4:00 p.m. (Frankfurt time) on the Change of Control Record Date, such Bond will cease to bear interest from the end of the day immediately preceding the Change of Control Record Date (§ 4 (b) (iii)).

(b) Take-over Bid.

- (i) (A) If any Bidder publishes a Take-over Bid in accordance with § 14(2) WpÜG, the Issuer will give notice in accordance with § 14 of the Take-over Bid and of the prospective Acceptance Record Date without undue delay after becoming aware of the publication.

(B) Upon publication of the notice by the Issuer pursuant to § 11(b)(i)(A), each Bondholder may either (as its discretion):

(I) (in respect of any Take-Over Bid, including a Conditional Take-Over Bid) exercise the Conversion Right during the Take-Over Bid Conversion Period in accordance with § 8, and in any such case the Conversion Date will be determined in accordance with § 8(b)(iv)(B); or

(II) (in respect of a Conditional Take-Over Bid only) exercise the Conversion Right in

Wandlungsrecht während der Bedingten Übernahmeangebots-Wandlungsfrist gemäß § 8 (vorbehaltlich der Bestimmungen in § 11(b)(ii)) ausüben und in diesem Fall bestimmt sich der Wandlungstag nach § 8(b)(iv)(C) bestimmt.

(ii) Bedingte Wandlungserklärungen

(A) Falls die Emittentin gemäß § 11(b)(i) ein Bedingtes Übernahmeangebot bekanntmacht, ist jeder Anleihegläubiger (zur Klarstellung: unbeschadet des Rechts jedes Anleihegläubigers, stattdessen das Wandlungsrecht gemäß § 11(b)(i)(B)(I) auszuüben) berechtigt, das Wandlungsrecht für eine Schuldverschreibung auszuüben, indem er eine auf den Eintritt eines Annahmeeeignisses bedingte Wandlungserklärung gemäß § 8(b)(i) (die "**Bedingte Wandlungserklärung**") abgibt. Die Bedingte Wandlungserklärung muss der Wandlungsstelle während der Bedingten Wandlungserklärungsfrist (und bis 16:00 Uhr (Frankfurter Zeit) an dem letzten Tag dieser Bedingten Wandlungserklärungsfrist zugehen). Die Bedingte Wandlungserklärung ist unwiderruflich, auch wenn sich die Annahmefrist gemäß § 16 Absatz 1 WpÜG nach Abgabe der Bedingten Wandlungserklärung verlängert.

(B) Ferner hat der Anleihegläubiger die Schuldverschreibungen, für die das Wandlungsrecht ausgeübt werden soll, vor dem Ende der Bedingten Wandlungserklärungsfrist gemäß § 8(b)(ii) an die Wandlungsstelle zu liefern.

(C) Eine Bedingte Wandlungserklärung wird erst und nur dann wirksam und unbedingt, wenn das Annahmeeeignis eintritt, und zwar unabhängig davon, ob dieser Zeitpunkt in einen Ausschlusszeitraum fällt oder nicht.

accordance with § 8 (subject as provided in § 11(b)(ii)) during the Conditional Conversion Notice Period, and in any such case the Conversion Date will be determined in accordance with § 8(b)(iv)(C).

(ii) Conditional Conversion Notices

(A) If the Issuer gives notice in accordance with § 11(b)(i) of a Conditional Take-over Bid, each Bondholder (without prejudice, for the avoidance of doubt, to the right of each Bondholder to exercise the Conversion Right pursuant to § 11(b)(i)(B)(I) instead) has the right to exercise the Conversion Right in respect of any Bond by giving a Conversion Notice in accordance with § 8(b)(i) that is conditional on the occurrence of an Acceptance Event (the "**Conditional Conversion Notice**"). The Conditional Conversion Notice must be received by the Conversion Agent during the Conditional Conversion Notice Period (and by 4:00 p.m. (Frankfurt time) on the last day of such Conditional Conversion Notice Period). The Conditional Conversion Notice is irrevocable even if the acceptance period pursuant to § 16(1) WpÜG is extended after submission of the Conditional Conversion Notice.

(B) In addition the Bondholder is required to deliver to the Conversion Agent the Bonds to be converted in accordance with § 8(b)(ii) before the end of the Conditional Conversion Notice Period.

(C) Any Conditional Conversion Notice will only become effective and unconditional if and when the Acceptance Event occurs, regardless of whether or not that point in time falls within an Excluded Period.

(D) Wenn ein Annahmemeereignis eintritt, wird die Emittentin unverzüglich nach Veröffentlichung der das Annahmemeereignis auslösenden Mitteilung des Bieters diese Tatsache und den Annahmestichtag gemäß § 14 bekanntmachen.

(E) Der betreffende Wandlungstag wird gemäß § 8(b)(iv)(C) bestimmt. Sofern ein Anleihegläubiger die Bedingte Wandlungserklärung oder die Schuldverschreibungen, für die das Wandlungsrecht ausgeübt werden soll, erst nach 16:00 Uhr (Frankfurter Zeit) an dem letzten Tag der Bedingten Wandlungserklärungsfrist an die Wandlungsstelle liefert, wird die Bedingte Wandlungserklärung als normale Wandlungserklärung behandelt und wird der Wandlungstag gemäß § 8(b)(iv)(B) bestimmt.

(F) Im Falle einer Bedingten Wandlungserklärung sind die Lieferaktien, wenn die Bedingte Wandlungserklärung unbedingt wird, so bald wie möglich, spätestens an dem Vorgesehenen Liefertag gemäß Absatz (x) der Definition dieses Begriffs, auf das in der Bedingten Wandlungserklärung angegebene Wertpapierdepotkonto des Anleihegläubigers zu übertragen.

(G) Wenn feststeht, dass kein Annahmemeereignis eintreten wird, verfällt die Bedingte Wandlungserklärung.

(c) Definitionen.

In diesem § 11 gilt Folgendes:

"Anfängliche Annahmefrist" bezeichnet die Annahmefrist nach § 16 Absatz 1 WpÜG (nicht die weitere Annahmefrist nach § 16 Absatz 2 WpÜG).

Ein **"Annahmemeereignis"** liegt vor, wenn nach einem Übernahmeangebot (i) der Bieter nach dem

(D) If an Acceptance Event occurs, the Issuer will give notice in accordance with § 14 of this fact and the Acceptance Record Date without undue delay after the publication by the Bidder of the announcement triggering the occurrence of the Acceptance Event.

(E) The relevant Conversion Date will be determined in accordance with § 8(b)(iv)(C), provided that if a Bondholder delivers to the Conversion Agent the Conditional Conversion Notice or the Bonds to be converted after 4:00 p.m. (Frankfurt time) on the last day of the Conditional Conversion Notice Period, the Conditional Conversion Notice will be treated as a normal Conversion Notice and the relevant Conversion Date will be determined in accordance with § 8(b)(iv)(B).

(F) In the case of a Conditional Conversion Notice the Settlement Shares must be transferred, if the Conditional Conversion Notice becomes unconditional, to the securities account of the Bondholder specified in the Conditional Conversion Notice as soon as possible and no later than on the Scheduled Settlement Date pursuant to clause (x) of the definition of this term.

(G) If it is certain that no Acceptance Event will occur, the Conditional Conversion Notice expires.

(c) Definitions.

In this § 11:

"Initial Acceptance Period" means the acceptance period pursuant to § 16(1) WpÜG (not the additional acceptance period pursuant to § 16(2) WpÜG).

An **"Acceptance Event"** occurs when upon a Take-over Bid (i) after the expiry of the Initial

Ablauf der Anfänglichen Annahmefrist eine Mitteilung gemäß § 23 Absatz 1 Satz 1 Nr. 2 WpÜG veröffentlicht hat, wonach das Übernahmeangebot mindestens für eine Zahl von Aktien angenommen wurde, die (zusammen mit vom Bieter bereits gehaltenen oder ihm aufgrund der Bestimmungen des § 30 WpÜG zurechenbaren Aktien) mindestens einer Zahl von Aktien entspricht, die Kontrolle vermittelt, und (ii) der Bieter eine Mitteilung veröffentlicht hat, wonach alle Angebotsbedingungen (einschließlich etwaiger Mindestannahmeschwellen) spätestens zum Ablauf der Anfänglichen Annahmefrist erfüllt sind, mit Ausnahme von (x) Angebotsbedingungen, auf die wirksam verzichtet wurde, und (y) solchen Bedingungen, die im Zeitpunkt des Ablaufs der Anfänglichen Annahmefrist noch nicht eingetreten sein müssen (z.B. in Bezug auf aufsichtsrechtliche, insbesondere kartellrechtliche, Genehmigungen oder die Durchführung von Kapitalmaßnahmen des Bieters zur Sicherstellung der Angebotsgegenleistung); ein Annahmeeeignis kann jedoch nicht mehr eintreten, wenn eine Angebotsbedingung bereits vorher oder gleichzeitig ausgefallen ist und das Angebot daher gescheitert ist.

"Annahmestichtag" bezeichnet den letzten Tag der Anfänglichen Annahmefrist (unter Einrechnung von Verlängerungen dieser Frist gemäß oder nach Maßgabe anwendbarer Gesetze und Bestimmungen).

"Bedingtes Übernahmeangebot" bezeichnet ein Übernahmeangebot, dessen Wirksamkeit der Bieter von der Erfüllung einer oder mehrerer Angebotsbedingung(en) abhängig gemacht hat.

"Bedingte Wandlungserklärungsfrist" bezeichnet den Zeitraum, der an dem Tag der Bekanntmachung eines Übernahmeangebots durch die Emittentin nach § 11(b)(i) beginnt und um 16:00 Uhr (Frankfurter Zeit) an dem früheren der folgenden Tage endet: (i) dem Annahmestichtag und (ii) dem zehnten Geschäftstag vor dem Endfälligkeitstag.

Acceptance Period, the Bidder has published an announcement pursuant to § 23(1) sentence 1 no. 2 WpÜG according to which the Take-over Bid has been accepted at least for a number of Shares which (together with Shares already held by or attributable to the Bidder pursuant to the provisions of § 30 WpÜG) corresponds to, at least, such number of Shares as are necessary to provide Control and (ii) the Bidder has published an announcement according to which all offer conditions (including any minimum acceptance thresholds) have been satisfied at the latest upon expiry of the Initial Acceptance Period, except for (x) such offer conditions that have been validly waived and (y) such offer conditions the satisfaction of which may remain pending upon the expiration of the Initial Acceptance Period (such as offer conditions in relation to regulatory approvals, in particular merger-control approvals, or the completion of capital measures of the Bidder in order to secure the offer consideration); provided, however, that an Acceptance Event cannot occur anymore if any offer condition cannot be fulfilled (already before or at the same time) any longer and the offer has, thus, failed.

"Acceptance Record Date" means the last day of the Initial Acceptance Period (taking into account extensions of this period, if any, pursuant to, or in accordance with, applicable laws and regulations).

"Conditional Take-over Bid" means any Take-over Bid the effectiveness of which the Bidder has made conditional on one or more Offer Condition(s) being met.

"Conditional Conversion Notice Period" means the period commencing on the day on which the Issuer gives notice of a Take-Over Bid in accordance with § 11(b)(i) and ending at 4:00 p.m. (Frankfurt time) on earlier of (i) the Acceptance Record Date and (ii) the tenth Business Day prior to the Maturity Date.

"Bieter" ist die Person oder Personengesellschaft, die ein Übernahmeangebot oder ein Pflichtangebot abgibt.

"Kontrolle" bezeichnet direktes oder indirektes, rechtliches und/oder wirtschaftliches Eigentum von Aktien (im Sinne der §§ 29 Absatz 2, 30 WpÜG), die zusammen 30% oder mehr der Stimmrechte der Emittentin gewähren.

Ein **"Kontrollerwerb"** gilt als eingetreten, wenn eine Person oder Personengesellschaft oder mehrere Personen (die **"Relevante(n) Person(en)"**) und/oder ein Dritter oder mehrere Dritte, der/die im Auftrag der Relevanten Person(en) handelt bzw. handeln, nach dem Ausgabetag (unabhängig davon, ob der Vorstand oder der Aufsichtsrat der Emittentin seine Zustimmung erteilt hat) Kontrolle über die Emittentin erwirbt bzw. erwerben (es sei denn, der Erwerber ist ein Kreditinstitut, ein Finanzdienstleistungsinstitut oder ein Treuhänder, das bzw. der die betreffenden Aktien nur vorübergehend in einer transitorischen Funktion im Zusammenhang mit der Umsetzung einer Kapitalmaßnahme oder gesellschaftsbezogenen Maßnahme erhält).

Ein **"Kontrollwechsel"** gilt jedes Mal als eingetreten, wenn

- (i) ein Kontrollerwerb eintritt; oder
- (ii) wenn ein Pflichtangebot gemäß § 35 Absatz 2 Satz 1, § 14 Absatz 2 Satz 1 WpÜG (bzw. der vergleichbaren übernahmerechtlichen Regelung einer anderen Jurisdiktion) veröffentlicht wird.

"Kontrollwechselstichtag" bezeichnet den von der Emittentin gemäß § 11(a)(i) festgelegten Geschäftstag, der frühestens 40 und spätestens 60 Tage nach dem Tag, an dem die Mitteilung des Kontrollwechsels gemäß § 14 veröffentlicht worden ist, liegen darf.

"Pflichtangebot" ist jedes Pflichtangebot für Aktien nach dem WpÜG oder – für den Fall, dass die Emittentin nicht oder nicht mehr dem WpÜG

"Bidder" is the person or partnership making a Take-over Bid or a Mandatory Offer.

"Control" means direct or indirect, legal and/or beneficial, ownership of Shares (within the meaning of §§ 29(2), 30 WpÜG), carrying an aggregate of 30 per cent. or more of the voting rights for the Issuer.

An **"Acquisition of Ownership"** shall be deemed to have occurred if after the Issue Date any person or partnership of persons (**"Relevant Person(s)"**) and/or any person or persons acting on behalf of any such Relevant Person(s) (irrespective of whether the management board (*Vorstand*) or the supervisory board (*Aufsichtsrat*) of the Issuer has given its consent thereto) acquire Control of the Issuer (unless the acquirer is a credit institution, financial service provider or agent that acquires the relevant Shares only temporarily in a transitory function in connection with the implementation of a capital measure or corporate action).

A **"Change of Control"** will be deemed to have occurred at each time, if

- (i) an Acquisition of Ownership occurs; or
- (ii) a Mandatory Offer is published pursuant to § 35(2) sentence 1, § 14(2) sentence 1 WpÜG (or the comparable take-over regulation of another jurisdiction).

"Change of Control Record Date" means the Business Day fixed by the Issuer in accordance with § 11(a)(i) which will be not less than 40 and no more than 60 days after the date on which the notice of the Change of Control is published in accordance with § 14.

"Mandatory Offer" means any mandatory offer (*Pflichtangebot*) for Shares, according to the WpÜG or – in case the Issuer is not or no longer subject to the WpÜG but to the comparable take-

unterliegt, sondern einer vergleichbaren übernahmerechtlichen Regelung einer anderen Jurisdiktion – nach dieser übernahmerechtlichen Regelung, das von einer Person oder Personengesellschaft, die nicht die Emittentin ist, an die Aktionäre der Emittentin gerichtet ist.

"Übernahmeangebot" ist jedes freiwillige Übernahmeangebot für Aktien nach dem WpÜG oder – für den Fall, dass die Emittentin nicht oder nicht mehr dem WpÜG unterliegt, sondern einer vergleichbaren übernahmerechtlichen Regelung einer anderen Jurisdiktion – nach dieser übernahmerechtlichen Regelung, das von einer Person oder Personengesellschaft, die nicht die Emittentin ist, an die Aktionäre der Emittentin gerichtet ist.

"Übernahmeangebots-Wandlungsfrist"

bezeichnet den Zeitraum, der an dem Tag der Bekanntmachung der Emittentin nach § 11(b)(i) beginnt und um 16:00 Uhr (Frankfurter Zeit) an dem früheren der folgenden Tage endet: (A) dem späteren der folgenden Tage: (i) dem letzten Tag der Annahmefrist nach § 16 Absatz 1 WpÜG oder, falls es eine weitere Annahmefrist gemäß § 16 Absatz 2 WpÜG geben sollte, dem letzten Tag dieser weiteren Annahmefrist und (B) dem zehnten Geschäftstag vor dem Endfälligkeitstag.

§ 12 Kein Kündigungsrecht

Den Anleihegläubigern stehen keine ordentlichen oder außerordentlichen Kündigungsrechte (mit Ausnahme zwingender gesetzlicher Kündigungsrechte) zu.

§ 13 Zahlstelle, Wandlungsstelle und Berechnungsstelle

- (a) DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main ist die Zahlstelle (die "**Zahlstelle**"). DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt

over regulation of another jurisdiction – according to this comparable take-over regulation, which is addressed to shareholders of the Issuer by any person or partnership other than the Issuer.

"Take-over Bid" means any voluntary take-over bid for Shares according to the WpÜG or – in case the Issuer is not or no longer subject to the WpÜG but to the comparable take-over regulation of another jurisdiction – according to this comparable take-over regulation, which is addressed to shareholders of the Issuer by any person or partnership other than the Issuer.

"Take-over Bid Conversion Period" means the period commencing on the day on which the Issuer gives notice in accordance with § 11(b)(i) and ending at 4.00 pm (Frankfurt time) on the earlier of (A) the later of (i) the last day of the acceptance period pursuant to § 16(1) of the WpÜG or (ii) the last day of the additional acceptance period pursuant to § 16(2) of the WpÜG, if any and (B) the tenth Business Day prior to the Maturity Date.

§ 12 No Termination Right

The Bondholders shall not be entitled to ordinary or extraordinary termination rights (with the exception of mandatory termination rights).

§ 13 Paying Agent, Conversion Agent and Calculation Agent

- (a) DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main will be the paying agent (the "**Paying Agent**"). DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main will

am Main ist die Wandlungsstelle (die "**Wandlungsstelle**").

Die Geschäftsräume der Zahlstelle und der Wandlungsstelle befinden sich unter der folgenden Adresse:

Platz der Republik, 60325 Frankfurt am Main, Deutschland

Die Conv-Ex Advisors Limited, 30 Crown Place, London EC2A 4EB, Vereinigtes Königreich, ist die Berechnungsstelle (die "**Berechnungsstelle**") und gemeinsam mit der Zahlstelle und der Wandlungsstelle, die "**Verwaltungsstellen**").

Jede Verwaltungsstelle ist von den Beschränkungen des § 181 BGB und etwaigen gleichartigen Beschränkungen des anwendbaren Rechts anderer Länder befreit.

Auf keinen Fall dürfen sich die Geschäftsräume einer Verwaltungsstelle in den Vereinigten Staaten befinden.

- (b) Die Emittentin wird dafür sorgen, dass stets eine Zahlstelle, eine Wandlungsstelle und eine Berechnungsstelle vorhanden sind. Die Emittentin ist berechtigt, andere international anerkannte Banken als Zahlstelle oder Wandlungsstelle bzw. eine international anerkannte Bank oder einen Finanzberater mit einschlägiger Expertise als Berechnungsstelle zu bestellen. Die Emittentin ist weiterhin berechtigt, die Bestellung einer Bank zur Verwaltungsstelle zu beenden. Im Falle einer solchen Beendigung oder falls die bestellte Verwaltungsstelle nicht mehr als Verwaltungsstelle in der jeweiligen Funktion tätig werden kann oder will, bestellt die Emittentin eine andere international anerkannte Bank als Zahlstelle oder Wandlungsstelle bzw. eine international anerkannte Bank oder einen Finanzberater mit einschlägiger Expertise als Berechnungsstelle. Eine solche Bestellung oder Beendigung der Bestellung ist unverzüglich gemäß § 14 oder, falls dies nicht möglich sein sollte, durch eine öffentliche Bekanntmachung in sonstiger geeigneter Weise bekannt zu machen.

be the conversion agent (the "**Conversion Agent**").

The address of the specified offices of the Paying Agent and the Conversion Agent is:

Platz der Republik, 60325 Frankfurt am Main, Germany

Conv-Ex Advisors Limited, 30 Crown Place, London EC2A 4EB, United Kingdom, will be the calculation agent (the "**Calculation Agent**") and together with the Paying Agent and the Conversion Agent, the "**Agents**").

Each Agent will be exempt from the restrictions set forth in § 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) and similar restrictions of other applicable laws.

In no event will the specified office of any Agent be within the United States.

- (b) The Issuer will procure that there will at all times be a Paying Agent, a Conversion Agent and a Calculation Agent. The Issuer is entitled to appoint other banks of international standing as Paying Agent or Conversion Agent, or, in the case of the Calculation Agent only, a bank of international standing or a financial adviser with relevant expertise. Furthermore, the Issuer is entitled to terminate the appointment of any Agent. In the event of such termination or such Agent being unable or unwilling to continue to act as Agent in the relevant capacity, the Issuer will appoint another bank of international standing as Paying Agent or Conversion Agent, or, in the case of the Calculation Agent only, a bank of international standing or a financial adviser with relevant expertise. Such appointment or termination will be published without undue delay in accordance with § 14, or, should this not be possible, be published in another appropriate manner.

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| <p>(c) Alle Bestimmungen, Berechnungen und Anpassungen durch die Verwaltungsstellen erfolgen in Abstimmung mit der Emittentin und sind, soweit nicht ein offenkundiger Fehler vorliegt, in jeder Hinsicht endgültig und für die Emittentin und alle Anleihegläubiger bindend.</p> | <p>(c) All determinations, calculations and adjustments made by any Agent will be made in cooperation with the Issuer and will, in the absence of manifest error, be conclusive in all respects and binding upon the Issuer and all Bondholders.</p> |
| <p>(d) Jede Verwaltungsstelle ist in dieser Funktion ausschließlich Beauftragte der Emittentin und handelt ausschließlich auf Verlangen der Emittentin. Zwischen einer Verwaltungsstelle und den Anleihegläubigern besteht (nur im Hinblick auf die Wandlungsstelle mit Ausnahme der in dem letzten Satz von § 8(b)(ii) geregelten Durchführung der Wandlung der Schuldverschreibungen) kein Auftrags- oder Treuhandverhältnis, und die Verwaltungsstellen übernehmen keine Haftung gegenüber den Anleihegläubigern oder einer anderen Verwaltungsstelle.</p> | <p>(d) Each Agent acting in such capacity, acts only as agent of, and upon request from, the Issuer. There is no agency or fiduciary relationship between any Agent and the Bondholders (only in the case of the Conversion Agent except as provided for in the last sentence of § 8(b)(ii) with respect to the execution of the conversion of the Bonds), and the Agents shall not incur any liability as against the Bondholders or any other Agent.</p> |
| <p>(e) Wenn die Emittentin gemäß diesen Anleihebedingungen einen Unabhängigen Sachverständigen bestellt, dann sind § 13(c) und § 13(d) entsprechend auf den Unabhängigen Sachverständigen anzuwenden.</p> | <p>(e) If the Issuer appoints an Independent Expert in accordance with these Terms and Conditions, § 13(c) and § 13(d) shall apply mutatis mutandis to the Independent Expert.</p> |

§ 14 Mitteilungen

- (a) Die Emittentin wird, vorbehaltlich § 17(f), die Schuldverschreibungen betreffenden Mitteilungen auf ihrer Internetseite (<https://ir.schaltbaugroup.com>) bekanntmachen. Jede derartige Mitteilung gilt im Zeitpunkt der so erfolgten Veröffentlichung seitens der Emittentin als wirksam erfolgt.
- (b) Sofern die Schuldverschreibungen an einer Wertpapierbörse notiert sind und die Regularien dieser Börse dies verlangen, werden alle die Schuldverschreibungen betreffenden Mitteilungen nach Maßgabe der Regularien der Börse, an der die Schuldverschreibungen notiert sind, veröffentlicht.

§ 14 Notices

- (a) The Issuer will, subject to § 17(f), publish all notices concerning the Bonds on its website (<https://ir.schaltbaugroup.com>). Any such notice will be deemed to have been given when so published by the Issuer.
- (b) If the Bonds are listed on any stock exchange and the rules of that stock exchange so require, all notices concerning the Bonds will be made in accordance with the rules of the stock exchange on which the Bonds are listed.

- (c) Die Emittentin wird zusätzlich alle gemäß diesen Emissionsbedingungen erforderlichen Mitteilungen an das Clearingsystem zur Weiterleitung an die Anleihegläubiger übermitteln.
- (d) Eine Mitteilung gemäß § 14(a) bis (c) gilt mit dem Tag als wirksam erfolgt, an dem sie erstmalig wirksam übermittelt wurde oder als wirksam übermittelt gilt.

§ 15 Begebung weiterer Schuldverschreibungen

Die Emittentin behält sich vor, von Zeit zu Zeit ohne Zustimmung der Anleihegläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (mit Ausnahme, unter anderem, des Ausgabetags und des Verzinsungsbeginns) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen zusammengefasst werden, eine einheitliche Emission mit ihnen bilden und den gesamten Nennbetrag erhöhen. Der Begriff "Schuldverschreibungen" umfasst im Falle einer solchen Erhöhung auch solche zusätzlich begebenen Schuldverschreibungen.

§ 16 Vorlegungsfrist, Verjährung

Die Vorlegungsfrist gemäß § 801 Absatz 1 Satz 1 BGB für die Schuldverschreibungen beträgt zehn Jahre. Die Verjährungsfrist für Ansprüche aus den Schuldverschreibungen, die innerhalb der Vorlegungsfrist zur Zahlung vorgelegt wurden, beträgt zwei Jahre ab dem Ende der betreffenden Vorlegungsfrist.

§ 17 Änderung der Emissionsbedingungen durch Beschluss der Anleihegläubiger; Gemeinsamer Vertreter

- (a) Die Emittentin kann mit den Anleihegläubigern Änderungen der Emissionsbedingungen oder sonstige Maßnahmen durch Mehrheitsbeschluss der Anleihegläubiger nach Maßgabe der §§ 5 ff.

- (c) In addition, the Issuer will deliver all notices required in accordance with the Terms and Conditions to the Clearing System for communication by the Clearing System to the Bondholders.
- (d) A notice effected in accordance with § 14(a) to (c) above will be deemed to be effected on the day on which the first such communication is, or is deemed to be, effective.

§ 15 Issue of Additional Bonds

The Issuer reserves the right from time to time without the consent of the Bondholders to issue additional Bonds with identical terms (save for, inter alia, the issue date and the interest commencement date), so that the same will be consolidated, form a single issue with and increase the aggregate Principal Amount of these Bonds. The term "Bonds" will, in the event of such increase, also comprise such additionally issued Bonds.

§ 16 Presentation Period, Prescription

The period for presentation of the Bonds pursuant to § 801(1) sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) will be ten years. The period of limitation for claims under the Bonds presented during the period for presentation will be two years calculated from the expiration of the relevant presentation period.

§ 17 Amendments to the Terms and Conditions by resolution of the Bondholders; Joint Representative

- (a) The Issuer may agree with the Bondholders on amendments to the Terms and Conditions or on other matters by virtue of a majority resolution of the Bondholders pursuant to §§ 5 et seqq. of the German Act on Issues of Debt Securities

des Gesetzes über Schuldverschreibungen aus Gesamtemissionen ("**SchVG**") in seiner jeweils geltenden Fassung beschließen. Die Anleihegläubiger können insbesondere einer Änderung wesentlicher Inhalte der Emissionsbedingungen, einschließlich der in § 5 Absatz 3 SchVG vorgesehenen Maßnahmen durch Beschlüsse mit den in dem nachstehenden § 17(b) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Anleihegläubiger gleichermaßen verbindlich.

- (b) Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Anleihegläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Emissionsbedingungen, insbesondere in den Fällen des § 5 Absatz 3 Nr. 1 bis 9 SchVG, geändert wird oder sonstige wesentliche Maßnahmen beschlossen werden, bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75% der an der Abstimmung teilnehmenden Stimmrechte (eine "**Qualifizierte Mehrheit**").
- (c) Die Anleihegläubiger können Beschlüsse in einer Gläubigerversammlung gemäß §§ 5 ff. SchVG oder im Wege einer Abstimmung ohne Versammlung gemäß § 18 i.V.m. § 5 ff. SchVG fassen.
 - (i) Die Teilnahme an der Gläubigerversammlung und die Ausübung der Stimmrechte sind von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung mitgeteilten Adresse spätestens an dem dritten Tag vor der Gläubigerversammlung zugehen. Mit der Anmeldung müssen die Anleihegläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 18(d)(i)(A) und (B) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem

(*Gesetz über Schuldverschreibungen aus Gesamtemissionen – "**SchVG**"*), as amended from time to time. In particular, the Bondholders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under § 5 para. 3 of the SchVG by resolutions passed by such majority of the votes of the Bondholders as stated under § 17(b) below. A duly passed majority resolution shall be binding equally upon all Bondholders.

- (b) Except as provided by the following sentence and provided that the quorum requirements are being met, the Bondholders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of § 5 para. 3 numbers 1 through 9 of the SchVG, or relating to material other matters may only be passed by a majority of at least 75 per cent. of the voting rights participating in the vote (a "**Qualified Majority**").
- (c) The Bondholders can pass resolutions in a meeting (*Gläubigerversammlung*) in accordance with §§ 5 et seqq. of the SchVG or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with § 18 in conjunction with §§ 5 et seqq. of the SchVG.
 - (i) Attendance at the meeting and exercise of voting rights is subject to the Bondholders' registration. The registration must be received at the address stated in the convening notice no later than on the third day preceding the meeting. As part of the registration, Bondholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 18(d)(i)(A) and (B) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Bonds are not transferable from and including the

Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Gläubigerversammlung (einschließlich) nicht übertragbar sind, nachweisen.

- (ii) Zusammen mit der Stimmabgabe müssen die Anleihegläubiger ihre Berechtigung zur Teilnahme an der Abstimmung ohne Versammlung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 18(d)(i)(A) und (B) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Stimmabgabe (einschließlich) bis zum letzten Tag des Abstimmungszeitraums (einschließlich) nicht übertragbar sind, nachweisen.
- (d) Wird für die Gläubigerversammlung gemäß § 17(c)(i) oder die Abstimmung ohne Versammlung gemäß § 17(c)(ii) die mangelnde Beschlussfähigkeit festgestellt, kann – im Falle der Gläubigerversammlung – der Vorsitzende eine zweite Versammlung im Sinne von § 15 Absatz 3 Satz 2 SchVG und – im Falle der Abstimmung ohne Versammlung – der Abstimmungsleiter eine zweite Versammlung im Sinne von § 15 Absatz 3 Satz 3 SchVG einberufen. Die Teilnahme an der zweiten Versammlung und die Ausübung der Stimmrechte sind von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Für die Anmeldung der Anleihegläubiger zu einer zweiten Versammlung gelten die Bestimmungen des § 17(c)(i) entsprechend.
- (e) Die Anleihegläubiger können durch Mehrheitsbeschluss die Bestellung oder Abberufung eines gemeinsamen Vertreters (der "**Gemeinsame Vertreter**"), die Aufgaben und Befugnisse des gemeinsamen Vertreters, die Übertragung von Rechten der Anleihegläubiger auf den Gemeinsamen Vertreter und eine Beschränkung der Haftung des Gemeinsamen Vertreters bestimmen. Die Bestellung eines Gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt werden soll, Änderungen des wesentlichen Inhalts

day such registration has been sent until and including the stated end of the meeting.

- (ii) Together with casting their vote, Bondholders must demonstrate their eligibility to participate in the vote without a meeting by means of a special confirmation of the Custodian in accordance with § 18(d)(i)(A) and (B) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Bonds are not transferable from and including the day such vote has been cast until and including the day the voting period ends.
- (d) If it is ascertained that no quorum exists for the meeting pursuant to § 17(c)(i) or the vote without a meeting pursuant to § 17(c)(ii), in case of a meeting the chairman (*Vorsitzender*) may convene a second meeting in accordance with § 15 para. 3 sentence 2 of the SchVG or in case of a vote without a meeting the scrutineer (*Abstimmungsleiter*) may convene a second meeting within the meaning of § 15 para. 3 sentence 3 of the SchVG. Attendance at the second meeting and exercise of voting rights is subject to the Bondholders' registration. The provisions set out in § 17(c)(i) shall apply mutatis mutandis to Bondholders' registration for a second meeting.
- (e) The Bondholders may by majority resolution provide for the appointment or dismissal of a holders' representative (the "**Bondholders' Representative**"), the duties and responsibilities and the powers of such Bondholders' Representative, the transfer of the rights of the Bondholders to the Bondholders' Representative and a limitation of liability of the Bondholders' Representative. Appointment of a Bondholders' Representative may only be passed by a Qualified Majority if such Bondholders' Representative is to be authorised to consent, in accordance with § 17(b) hereof, to a material change

der Emissionsbedingungen oder sonstigen wesentlichen Maßnahmen gemäß § 17(b) zuzustimmen.

- (f) Bekanntmachungen betreffend diesen § 17 erfolgen ausschließlich gemäß den Bestimmungen des SchVG.

§ 18 Schlussbestimmungen

- (a) Form und Inhalt der Schuldverschreibungen sowie die Rechte der Anleihegläubiger und die Pflichten der Emittentin bestimmen sich in jeder Hinsicht nach dem Recht der Bundesrepublik Deutschland.
- (b) Erfüllungsort ist München, Bundesrepublik Deutschland.
- (c) Gerichtsstand für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstigen Verfahren ist, soweit rechtlich zulässig, München, Bundesrepublik Deutschland. Dies gilt nur vorbehaltlich eines zwingenden Gerichtsstandes für besondere Rechtsstreitigkeiten im Zusammenhang mit dem SchVG.
- (d) Jeder Anleihegläubiger ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Anleihegläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen geltend zu machen gegen Vorlage:
 - (i) einer Bescheinigung der Depotbank, die
 - (A) den vollen Namen und die volle Anschrift des Anleihegläubigers bezeichnet;
 - (B) den gesamten Nennbetrag von Schuldverschreibungen angibt, die an dem Ausstellungstag dieser Bescheinigung den bei dieser Depotbank bestehenden Wertpapierdepotkontos dieses Anleihegläubigers gutgeschrieben sind; und

in the substance of the Terms and Conditions or other material matters.

- (f) Any notices concerning this § 17 shall be made exclusively pursuant to the provisions of the SchVG.

§ 18 Final Clauses

- (a) The form and content of the Bonds and the rights of the Bondholders and the obligations of the Issuer will in all respects be governed by the laws of the Federal Republic of Germany.
- (b) Place of performance is Munich, Federal Republic of Germany.
- (c) To the extent legally permitted, the courts of Munich, Federal Republic of Germany will have jurisdiction for any action or other legal proceedings arising out of or in connection with the Bonds. This is subject to any exclusive court of venue for specific legal proceedings in connection with the SchVG.
- (d) Any Bondholder may in any proceedings against the Issuer or to which the Bondholder and the Issuer are parties protect and enforce in its own name its rights arising under its Bonds on the basis of:
 - (i) a certificate issued by its Custodian
 - (A) stating the full name and address of the Bondholder;
 - (B) specifying an aggregate Principal Amount of Bonds credited on the date of such statement to such Bondholder's securities account maintained with its Custodian; and

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| <p>(C) bestätigt, dass die Depotbank dem Clearingsystem und der Zahlstelle eine Mitteilung gemacht hat, die die Angaben gemäß (A) und (B) enthält und Bestätigungsvermerke des Clearingsystems sowie des betroffenen Kontoinhabers bei dem Clearingsystem trägt; sowie</p> | <p>(C) confirming that its Custodian has given a notice to the Clearing System and the Paying Agent containing the information specified in (A) and (B) and bearing acknowledgements of the Clearing System and the relevant account holder in the Clearing System; as well as</p> |
| <p>(ii) einer von einem Vertretungsberechtigten des Clearingsystems oder der Zahlstelle bestätigten Ablichtung der Globalurkunde.</p> | <p>(ii) a copy of the Global Bond, certified as being a true copy by a duly authorised officer of the Clearing System or the Paying Agent.</p> |
| <p>(e) Die deutsche Version dieser Emissionsbedingungen ist bindend. Die englische Übersetzung dient nur Informationszwecken.</p> | <p>(e) The German version of these Terms and Conditions is binding. The English translation is for information purposes only.</p> |

VII. THE SUBSCRIPTION OFFER

1. Subject matter of the Subscription Offer

The Subscription Offer relates to 60,000 Bonds in an aggregate principal amount of EUR 60,000,000.00, bearing interest at a nominal rate of 0.5% p.a. and maturing on 30 September 2022, to be issued by the Company. For further details on the Bonds see “V. Description of the Bonds” and “VI. Terms and Conditions of the Bonds”.

2. Publication of the Subscription Offer

An English translation of the German language version of the subscription offer (*Bezugsangebot*), which is expected to be published on 31 March 2021 in the Federal Gazette (*Bundesanzeiger*), is reproduced below:

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DISTRIBUTION IS UNLAWFUL

Schaltbau Holding AG
Munich

– Shares ISIN DE000A2NBTL2 –

Subscription Offer
to the shareholders of Schaltbau Holding AG
for subscription of 60,000 partial bonds of the
EUR 60 million 0.5% Subordinated Mandatory Convertible Bond 2021/2022
(ISIN DE000A3E5FV1)

Legal basis and information

Pursuant to the resolution of the general shareholders' meeting of the Schaltbau Holding AG (the “**Company**”) held on 14 June 2016 in the version amended by resolution of the Company's general shareholders' meeting of 7 June 2018 the executive board of Company is inter alia authorised, with the consent of the supervisory board of the Company, to issue convertible bonds (*Wandelschuldverschreibungen*) in bearer form with or without a limited term on one or more occasions in a total nominal amount of up to EUR 175,000,000.00 until 13 June 2021 and to grant the holders of these bonds the right to convert their bonds into up to 3,075,903 new ordinary registered shares with no-par value (*auf den Namen lautende Stückaktien*) of the Company with a notional amount in the share capital of up to a total of EUR 3,752,601.66 in accordance with the terms and conditions of the bonds (the “**Authorisation 2016**”).

Making partial use of the Authorisation 2016, the executive board of the Company has resolved on 29 March 2021, with the consent of the supervisory board of the Company, to offer a subordinated mandatory convertible bond with an aggregate principal amount of EUR 60,000,000.00, divided into 60,000 partial bonds in bearer form ranking pari passu among themselves, with a denomination of EUR 1,000.00 each (each a “**Partial Bond**” or a “**Bond**” and together the “**Partial Bonds**”, the “**Bonds**”, the “**Convertible Bonds**” or the “**Convertible Bond 2021/2022**”). The Convertible Bond 2021/2022 has a term until 30 September 2022, bears interest at an annual rate of 0.5% and provides for a mandatory conversion of the Bonds into ordinary registered shares with no-par value (*auf den Namen lautende Stückaktien*) of the Company at maturity, to the extent the Bonds have not previously been converted. The Bonds will be convertible at an initial conversion price of EUR 29.00 per share, i.e. initially 34.4827 shares per Bond.

According to the terms and conditions of the Convertible Bond 2021/2022, the obligations of the Company under the Bonds constitute unsecured and subordinated obligations of the Company as described in more detail below under “Status, Subordination”. Furthermore, attention is particularly invited to the mandatory conversion provided for in the terms and conditions of the Convertible Bond 2021/2022. A repayment of the Partial Bonds is precluded. Instead, the holders of the Bonds will receive shares in the Company.

The shareholders are granted the subscription right in such a way that DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Platz der Republik, 60265 Frankfurt am Main, Germany, has been admitted to take over the Bonds with the obligation to offer them to the shareholders for subscription at a ratio of 147.5365:1 (i.e. 147.5365 shares entitle the holder to subscribe for 1 Bond) at a subscription price corresponding to the nominal amount of a Bond of EUR 1,000.00 (the “**Subscription Price**”).

A so-called “supplemental or additional subscription (*Über- oder Mehrbezug*)” of Bonds is not contemplated. The shareholders cannot subscribe for fractions of Partial Bonds resulting from the individual shareholdings. Only the subscription of one new Partial Bond or an integral multiple thereof is possible. The executive board of the Company has, with the consent of the supervisory board of the Company, excluded the shareholders’ subscription right on the basis of the Authorisation 2016 with regard to fractional amounts resulting from the subscription ratio.

In an agreement entered into between the Company and several of its shareholders on 1 March 2021, the relevant shareholders committed to acquire in total Bonds in an aggregate principal amount of up to EUR 60,000,000 that are not subscribed for by shareholders in the Subscription Offer.

Subscription Period; Settlement Agent

The Company has appointed DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Platz der Republik, 60265 Frankfurt am Main, Germany, as settlement agent (the “**Settlement Agent**”).

To avoid being excluded from exercising their subscription rights, shareholders are requested to exercise their right to subscribe for the Bonds in the period from

1 April 2021, 0:00 hours, to 16 April 2021, 12:00 hours (CEST)

(the “**Subscription Period**”),

through their respective custodian banks at the Settlement Agent during normal business hours.

The subscription rights must be transferred to the securities account of the Settlement Agent by no later than the end of the subscription period, i.e. 16 April 2021, 12:00 hours (CEST). Subscription rights not exercised in due time will lapse and be booked out without value after the expiration of the Subscription Period. There will be no compensation for unexercised subscription rights.

Exercise of the subscription right; commission

In order to exercise the subscription right, we ask the shareholders to issue instructions to their respective custodian bank using the subscription order made available by the custodian bank.

The custodian banks are requested to submit the subscription declarations of the shareholders collectively in one application by the end of the Subscription Period at the latest, i.e. by 16 April 2021, 12:00 hours (CEST), and to pay the Subscription Price of EUR 1,000.00 per Bond to the following account also by no later than the end of the Subscription Period to DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, in its capacity as Settlement Agent.

For this purpose, we ask you to issue relevant instructions to the custodian banks using the form provided by the custodian banks. The custodian banks will charge the usual bank commission for the subscription. The receipt of the subscription application (*Bezugsanmeldung*) and the subscription price by the Settlement Agent is decisive for compliance with the deadline.

The subscription rights (ISIN DE000A3E5AE8) will be credited to the shareholders’ securities accounts at their respective custodian banks in accordance with the official record date procedure of Clearstream Banking AG as per the holdings of shares in the Company on 31 March 2021 evening with value date of 7 April 2021. From the beginning of the Subscription Period, i.e. from 1 April 2021, the shares will be quoted “ex-subscription right”.

The credited subscription rights are deemed to be proof of the subscription right with respect to the Partial Bonds of the Convertible Bond 2021/2022 to be subscribed for. The subscription rights must be transferred to DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, in its capacity as Settlement Agent by no later than the end of the Subscription Period on 16 April 2020, 12:00 hours (CEST). The receipt of the subscription application (*Bezugsanmeldung*), the required subscription rights and the total subscription price by 16 April 2021, 12:00 hours (CEST) in each case is decisive for compliance with the Subscription Period. Expenses and fees charged by the custodian banks of the shareholders will neither be borne by the Company nor by the Settlement Agent.

No trading in subscription rights

An organised trading of subscription rights is not contemplated and will not be arranged by the Company or the Settlement Agent. It is therefore not possible to buy or sell subscription rights via the stock exchange. Also, no brokerage of subscription rights will be arranged by the Company or the Settlement Agent. However, the subscription rights are individually transferable in accordance with generally applicable legal provisions. Since a stock exchange trading is not intended for the subscription rights, there will, however, probably not be a market price for the subscription rights.

Representation and delivery of the Convertible Bonds

The Convertible Bonds will be represented by a global certificate which will be deposited with Clearstream Banking AG, Frankfurt am Main. Pursuant to the articles of association, the right of the shareholders to receive individual certificates for their respective holdings of shares and bonds is excluded.

The Bonds will be credited to the collective custody accounts of the respective subscribers or acquirers. Delivery of the Convertible Bonds is expected to take place on 23 April 2021.

Listing of the Convertible Bonds

The Company intends to apply for the inclusion of the Bonds into trading on the Open Market (*Freiverkehr*) of the Frankfurt Stock Exchange. Apart from that, the Company does currently not intend to apply for a listing of the Convertible Bonds on any further domestic or foreign stock exchange.

Publication of a securities prospectus

With regard to the public offer of the Convertible Bonds, on 30 March 2021, the Company published a securities prospectus (the "**Prospectus**") approved by the Federal Financial Supervisory Authority (BaFin) in its capacity as competent supervisory authority of the Federal Republic of Germany on its website (<https://schaltbaugroup.com>) under the "Investor Relations" section. Upon request, the Company will provide investors in Germany with a copy of the Prospectus in paper form or on a durable medium free of charge.

Status, Subordination

According to the terms and conditions of the Bonds, the obligations of the Company under the Bonds constitute unsecured and subordinated obligations of the Company ranking *pari passu* among themselves and in the event of the liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of the Company ranking junior to all present and future unsubordinated and subordinated obligations of the Company (save for present and future subordinated obligations which rank and shall rank *pari passu* with the obligations of the Company under the Bonds), except as otherwise required by mandatory statutory law, so that in any such event no amounts shall be payable in respect of the Bonds until the claims of all unsubordinated and subordinated creditors of the Company which rank senior to the claims under the Bonds shall have first been satisfied in full. No bondholder may set-off any claims arising under the Bonds against any claims that the Company may have against it. The Company may not set-off any claims it may have against the bondholders against any of its obligations under the Bonds. No security is, or shall at any time be, provided by the Company or any other person securing rights of the bondholders under the Bonds.

Terms of the Convertible Bonds

The terms and conditions of the convertible bonds are governed by the Terms and Conditions, which are set out and described in the aforementioned Prospectus of the Company.

Risk warning; Reference to the Prospectus

The acquisition of the Convertible Bonds is associated with risks. Before making a decision to exercise any subscription rights, shareholders are therefore advised to carefully read the aforementioned Prospectus, including the risk factors and other information described therein, and to take the information contained in the Prospectus into account when making their investment decision.

Admission to trading of shares to be delivered upon conversion

The shares to be delivered upon conversion of Bonds will derive from the contingent capital created by resolution of the Company's general shareholders' meeting on 14 June 2016 (*Bedingtes Kapital II*) (the "**Contingent Capital II**"). The Company intends to apply for the admission to trading of the shares from the Contingent Capital II and their inclusion in the existing listing of the Company's shares on the regulated market of the Frankfurt Stock Exchange (Prime Standard) and the regulated market of the Munich Stock Exchange shortly after the issuance of the Bonds and by the first quarterly conversion date (i.e. 12 May 2021) at the latest, to the extent such admission to trading is possible without the publication of a securities prospectus. Pursuant to Article 1(5) subparagraph 1 lit. a) of the Prospectus Regulation, the obligation to publish a securities prospectus for the admission to trading of new shares does not apply to the extent the relevant shares represent, over a period of 12 months, less than 20% of the number of shares of the same class already admitted to trading on the same regulated market. The total number of shares that the bondholders would initially be entitled to receive upon conversion of all 60,000 Bonds amounts to 2,068,965, corresponding to approx. 23.37% (and thus more than 20%) of the 8,852,190 shares into which the Company's current share capital is divided. The Company can therefore not guarantee, in particular until the end of May 2022, but also beyond, that all shares to be delivered by the Company upon conversion of Bonds will, already at the time of their delivery or shortly thereafter, be admitted to trading and included in the existing listing of the Company's shares on the regulated market of the Frankfurt Stock Exchange (Prime Standard) and the regulated market of the Munich Stock Exchange. Therefore, it cannot be excluded that bondholders will receive shares that will not be admitted to trading for a certain period of time after their delivery and will only be included in the existing listing of the Company's shares on the regulated market of the Frankfurt Stock Exchange (Prime Standard) and the regulated market of the Munich Stock Exchange at a later point in time once this can be effected by the Company without the requirement for a securities prospectus.

Selling restrictions

The Subscription Offer will be conducted solely in accordance with German law. It will be published in the Federal Gazette (*Bundesanzeiger*) in accordance with the relevant provisions of stock corporation and capital market laws in conjunction with the Company's articles of association. In addition to this Subscription Offer and the announcement of the issuance of the Convertible Bonds in the Federal Gazette (*Bundesanzeiger*), no further announcements, registrations, approvals or authorisations by or at offices within or outside the Federal Republic of Germany are foreseen in respect of the Convertible Bonds or the subscription rights or the Subscription Offer. The announcement serves solely to comply with the mandatory provisions of the Federal Republic of Germany and is not intended for the submission or publication of the Subscription Offer in accordance with provisions of legal systems other than those of the Federal Republic of Germany, nor is it intended for public advertising of the Subscription Offer that may be subject to the provisions of legal systems other than the Federal Republic of Germany.

The publication, delivery, distribution or dissemination of the Subscription Offer or a summary or other description of the conditions contained in the Subscription Offer may be subject to restrictions in other jurisdictions. With the exception of the announcement in the Federal Gazette (*Bundesanzeiger*) and the distribution of the Subscription Offer with the approval of the Company, the Subscription Offer may not be published, disseminated, distributed or passed on by third parties either directly or indirectly in or to foreign jurisdictions to the extent that this is prohibited under the applicable foreign regulations or is dependent on compliance with official procedures or the granting of an approval. This also applies to a summary or other description of the conditions contained in this Subscription Offer. The Company does not assume any liability that the publication, delivery, distribution or dissemination of the Subscription Offer outside the Federal Republic of Germany is in compliance with the respectively applicable legal provisions.

The acceptance of this offer outside the Federal Republic of Germany may be subject to restrictions. Persons who wish to accept the offer outside the Federal Republic of Germany are requested to inform themselves about restrictions existing outside the Federal Republic of Germany.

This document does not constitute an offer to sell securities in the United States of America. The Convertible Bonds and the subscription rights are not and will not be registered under the provisions of the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or with the securities supervisory authorities in any of the individual states of the United States of America. The Convertible Bonds and the subscription rights may not be offered, exercised, sold or delivered, directly or indirectly, in the United States of America, except in accordance with an exemption from the registration requirements of the Securities Act and the securities laws of the individual states of the United States of America. The same applies to an offer, sale or delivery to U.S. persons within the meaning of the Securities Act.

Munich, in March 2021

Schaltbau Holding AG
The Executive Board

3. Key conditions of the Subscription Offer

Set forth below is a summary of certain key conditions of the Subscription Offer set out in more detail above under “VII.2. *Publication of the Subscription Offer*”.

3.1 Subscription Ratio and Subscription Price

The Bonds will be offered for subscription to the Company’s shareholders at a ratio of 147.5365:1 (i.e. 147.5365 Shares entitle a shareholder to subscribe for one Bond) at a subscription price corresponding to the principle amount of a Bond of EUR 1,000.00. Each Share technically conveys one subscription right (ISIN DE000A3E5AE8). Thus, 147.5365 subscription rights entitle to subscribe for one Bond.

Shareholders cannot subscribe for fractions of Bonds. Only the subscription of one Bond or an integral multiple thereof is possible.

Decisive for the calculation of the number of subscription rights to which the respective shareholders are entitled (the “**Subscription Rights**”) are their holdings of Shares after the close of bookings on 31 March 2021.

Neither the Company nor the Settlement Agent (as defined below in “VII.7. *Settlement Agent, Paying Agent, Calculation Agent and Depository Agent*”) will charge expenses to investors. Expenses charged to the respective investor by its custodian bank will neither be borne by the Company nor by the Settlement Agent.

3.2 Exercise of Subscription Rights

Subscription Rights must be exercised during the period from 1 April 2021, 0:00 hours (CEST), to 16 April 2021, 12:00 hours (CEST) (the “**Subscription Period**”). Instructions by investors regarding the exercise of Subscription Rights have to be addressed to their respective custodian banks. Investors are recommended to follow the instructions by their custodian banks.

Subscription Rights which have not been exercised during the Subscription Period will lapse and be booked out without value after the expiration of the Subscription Period. There will be no compensation for unexercised Subscription Rights.

3.3 Sale of Subscription Rights

The Subscription Rights will be freely transferable in accordance with generally applicable legal provisions. An organised trading of Subscription Rights is, however, not contemplated and will not be arranged by the Company or the Settlement Agent. It will therefore not be possible to buy or sell Subscription Rights via the stock exchange. Also, no brokerage of subscription rights will be arranged by the Company or the Settlement Agent. Since a stock exchange trading is not intended for the Subscription Rights, there will probably also not be a market price for the Subscription Rights.

3.4 Selling restrictions

The selling restrictions in respect of the Subscription Offer are set out in section “VII.2. *Publication of the Subscription Offer*”.

4. Pre-placement of Bonds

In an agreement entered into between the Company and several of its shareholders on 1 March 2021, the relevant shareholders committed to acquire in total Bonds in an aggregate principal amount of up to EUR 60,000,000 that are not subscribed for by shareholders in the Subscription Offer. For further information see “XIV.3.1 *Pre-Placement Agreement related to the Subscription Offer of the Bonds*”.

5. Announcement of the results of the Subscription Offer

The results of the Subscription Offer are expected to be published on or around 16 April 2021 on the Company's website (<https://schaltbaugroup.com>) under the “Investor Relations” section.

6. Representation and delivery of the Bonds

The Bonds will be represented by a global certificate deposited with Clearstream. Delivery of the Bonds is expected to take place on or around 23 April 2021.

7. Settlement Agent, Paying Agent, Calculation Agent and Depository Agent

DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Platz der Republik, 60325 Frankfurt am Main, Germany (“**DZ BANK**”), will act as settlement agent (the “**Settlement Agent**”) for the Subscription Offer and as principal paying agent and principal conversion agent in accordance with the Terms and Conditions of the Bonds.

Conv-Ex Advisors Limited, 30 Crown Place, London EC2A 4EB, United Kingdom, will act as principal calculation agent (the “**Calculation Agent**”) in accordance with the Terms and Conditions of the Bonds.

Clearstream will act as depository agent with respect to the Bonds.

8. Listing of the Bonds

Application is intended to be made for the Bonds to be included into trading on the Open Market (*Freiverkehr*) of the Frankfurt Stock Exchange.

9. Interests of parties participating in the Subscription Offer

DZ BANK has been retained by the Company to act as Settlement Agent for the Subscription Offer and as principal paying agent and principal conversion agent in accordance with the Terms and Conditions of the Bonds. The Settlement Agent will receive a compensation from the Company for its services and thus has a financial interest in the successful conduct of the Subscription Offer.

Conv-Ex Advisors Limited, 30 Crown Place, London EC2A 4EB, United Kingdom, has been retained by the Company as Calculation Agent in accordance with the Terms and Conditions of the Bonds. The Calculation Agent will receive a compensation from the Company for its services and thus has a financial interest in the successful conduct of the Subscription Offer.

Several members of the Executive Board and the Supervisory Board or related parties thereof hold Shares in the Company (for further details see “XVII.4. *Certain information regarding the members of the Executive Board and Supervisory Board*”). As shareholders or related parties to shareholders, they or their respective related parties have Subscription Rights and thus private financial and economic interests in the Subscription Offer.

In the Company's view, none of the aforementioned interests constitutes a conflict of interest that is material to the Subscription Offer.

10. Expected timetable

30 March 2021	Approval of the Prospectus by BaFin
30 March 2021	Publication of the Prospectus on the Company's website (https://schaltbaugroup.com) under the "Investor Relations" section
31 March 2021	Publication of the Subscription Offer in the Federal Gazette (<i>Bundesanzeiger</i>) and on the Company's website (https://schaltbaugroup.com)
1 April 2021	Start of the Subscription Period
16 April 2021, 12:00 hours (CEST)	End of the Subscription Period
On or around 19 April 2021	Publication of the results of the Subscription Offer
On or around 23 April 2021	Issuance and delivery of the Bonds

11. Taxation

Warning: The tax legislation of the investor's Member State or relevant non-EEA jurisdiction and the Company's country of incorporation may have an impact on the income received from the Bonds.

Before making an investment decision with respect to the Bonds, potential investors should inform themselves and consult their tax advisors about the specific tax consequences that may apply to them if they invest in the Bonds.

VIII. REASONS FOR THE OFFERING AND USE OF PROCEEDS

1. Proceeds from the issuance of the Bonds and costs of the Subscription Offer

We expect to receive total estimated gross proceeds of EUR 60,000,000 from the issuance of the Bonds assuming full subscription and issuance of 60,000 Bonds at the issue price of EUR 1,000 per Bond. The total costs and fees related to the Subscription Offer, including fees charged by the Subscription Agent and legal advisors, are expected to amount to approx. EUR 2,600,000. Therefore, the Company expects to realise net proceeds from the issuance of the Bonds in the amount of approx. EUR 57,400,000 (the **"Net Proceeds"**).

2. Reasons for the offering and use of proceeds

The Company intends to use the Net Proceeds as follows and in the order of priority set forth below:

- to finance the construction of the new factory ("NExT Factory") in Velden, Germany (approx. 50% to 60% of the Net Proceeds);
- to fund selective tuck-in acquisitions to improve the cost position and complete the product portfolio in the fields of rolling stock and rail infrastructure (approx. 15% to 20% of the Net Proceeds); and
- to repay existing financial indebtedness to reduce the financial leverage and to improve the financial flexibility for strategic investments going forward (approx. 25% to 30% of the Net Proceeds).

The Company will have broad discretion in the application of the Net Proceeds and may decide to use the Net Proceeds differently than listed above, and investors will be relying on the Company's judgement regarding the application of the Net Proceeds.

IX. DILUTION

As of the date of the Prospectus, the Company's share capital amounts to EUR 10,799,671.80 divided into 8,852,190 Shares. On the basis of the Company's current share capital and under the assumptions that (i) all 60,000 Bonds with a principal amount of EUR 1,000.00 each will be issued by the Company and (ii) all of these 60,000 Bonds will be converted at the initial conversion price of EUR 29.00 into 2,068,965 new Shares (the "**Full Conversion of the Bonds**"), the Company's share capital would amount to EUR 13,323,809.10.00 divided into 10,921,155 Shares. The Company's share capital as of the date of the Prospectus would thus correspond to 81.06% of the share capital after Full Conversion of the Bonds. Accordingly, a shareholder, who does not exercise its subscription rights with respect to the Bonds in the Subscription Offer, would after Full Conversion of the Bonds only hold 81.06% of its current participation in the Company's share capital and voting rights. Its participation would thus be diluted by 18.94%. This means that a shareholder's participation in the Company's share capital and voting rights of, e.g., 10% as of the date of the Prospectus will only amount to 8.11% of the Company's share capital and voting rights after Full Conversion of the Bonds if the respective shareholder does not exercise its subscription rights with respect to the Bonds in the Subscription Offer.

The net book value (calculated as total assets minus non-current liabilities minus total current liabilities, i.e. equaling the total equity) of the Company based on the Consolidated Financial Statements 2020 amounted to EUR 90,735,000.00 as of 31 December 2020, and corresponds to approx. EUR 10.25 per Share, calculated on the basis of 8,852,190 Shares issued as of 31 December 2020. Based on a subscription of all 60,000 Bonds at the issue price of EUR 1,000.00 per Bond and assumed Net Proceeds of EUR 57,400,000.00, the net book value of the Company would amount to EUR 148,135,000.00. Thus, the net book value per Share, calculated on the basis of 10,921,155 Shares after Full Conversion of the Bonds, would amount to approx. EUR 13.56 per Share. This would correspond to an enhancement of the net book value per Share of approx. EUR 3.31 (32.33%). The net book value of EUR 13.56 per Share after Full Conversion of the Bonds would thus be approx. EUR 15.44 (53.23%) lower than the initial conversion price of the Bonds of EUR 29.00.

X. DESCRIPTION OF THE SHARES OF THE COMPANY

1. Form and representation

The Shares are ordinary registered shares with no-par value (*auf den Namen lautende Stückaktien*), each such share with a notional value of EUR 1.22, and have been issued based on the provisions of the German Stock Corporation Act (*Aktiengesetz* – “**AktG**”). The Shares are represented in global share certificates without dividend coupon deposited with Clearstream. The Shares are freely transferable in accordance with the legal provisions applicable to registered shares. The existing Shares have been and any Shares to be issued upon conversion of any Bonds will be created in accordance with German law.

The holders of the Shares are listed by name in the Company's share register and hold co-ownership interests in the respective global share certificates. The Executive Board, in accordance with Section 5 para. 5 of the Articles of Association, determines the form and content of share certificates, dividend coupons and renewal coupons. Pursuant to Section 5 para. 3 of the Articles of Association, the Company is entitled to issue share certificates that represent individual Shares (individual share certificates) or multiple Shares (global share certificates). To the extent permitted by law, Section 5 para. 7 of the Articles of Association excludes any claim by the shareholders to have their Shares embodied in an individual certificate, unless certification is required under the rules applicable at a stock exchange on which the Shares are admitted to trading.

The existing Shares carry the ISIN DE000A2NBTL2 and are admitted to trading on the regulated market of the Frankfurt Stock Exchange and simultaneously in the subsegment of the regulated market of the Frankfurt Stock Exchange with additional post-admission obligations (*Prime Standard*) and the regulated market of the Munich Stock Exchange.

2. Rights attached to the Shares

2.1 Voting rights

Each Share entitles the shareholder to one vote at the General Shareholders' Meeting. There are no restrictions on voting rights. All Shares (i.e. the existing Shares and any Shares to be issued upon conversion of any Bonds) confer the same voting rights.

2.2 Dividend rights, right to share in the liquidation proceeds and subscription rights

Generally, each Share carries full dividend rights. The shareholders' share of the Company's profits is determined based on their respective interests in the Company's share capital. The annual General Shareholders' Meeting of the Company, which is held once annually generally within the first eight months of the respective financial year (subject to any statutory exceptions allowing to hold the annual General Shareholders' Meeting later in the year), decides on the appropriation of any net retained profit and thus on the full or partial disbursement thereof to shareholders. The Executive Board and the Supervisory Board are required to submit a recommendation on the appropriation of profit, but the annual General Shareholders' Meeting of the Company is not bound by such recommendation. Individual shareholders have no claim to the disbursement of dividends unless the annual General Shareholders' Meeting of the Company has passed a resolution to that effect. For details see “*XI. Earnings and Dividend per Share; Dividend Policy*”. The annual General Shareholders' Meeting may decide to make an in-kind distribution in addition to, or instead of, a cash distribution.

Dividends resolved by the General Shareholders' Meeting are due and payable annually immediately after the General Shareholders' Meeting, unless provided otherwise in the dividend resolution, in compliance with the rules of the respective clearing system.

Under German law, claims to the payment of dividends generally become time-barred after three years, after which time the Company may refuse to make any disbursement. For information relating to the calculation of an amount, if any, that may be available for distribution, and the dividend policy, see “*XI. Earnings and Dividend per Share; Dividend Policy*”.

There are no dividend restrictions or special procedures for dividend payments to shareholders resident outside of Germany.

Clearstream automatically credits any dividends accruing on the Shares in the future to the securities accounts held at the respective custodian banks. Domestic custodian banks are under a corresponding obligation to their customers. Shareholders whose Shares are held in custodial accounts at foreign institutions should inform themselves about the procedure applicable at such institutions. Forfeited dividend claims shall accrue to the Company.

In the event the Company is dissolved, the assets remaining after discharging the Company's liabilities will accrue to the shareholders pursuant to Section 271 AktG in proportion to the respective interest they hold in the Company's share capital.

Shareholders have the right to subscribe for new Shares issued pursuant to any future capital increases in a ratio proportionate to the respective interest they hold in the Company's current share capital (subscription right). No subscription rights exist in the case of contingent capital increases; otherwise, subscription rights may be excluded by resolution of the annual General Shareholders' Meeting or, if the annual General Shareholders' Meeting so authorises, by resolution of the Executive Board with the consent of the Supervisory Board.

See "XI.1. General rules on the allocation of profits and dividend payments" for further information on dividend payments.

3. Mandatory takeover bids, exclusion of minority shareholders, and squeeze-out

3.1 Mandatory takeover bids

The Company is subject to the provisions of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz* – "**WpÜG**"). Under the provisions of the WpÜG, shareholders who acquire 30% or more of the voting rights in a listed stock corporation are obliged to publish this fact, including the percentage of their voting interest, without undue delay, but no later than within seven calendar days and subsequently (provided no exemption from this obligation has been granted by the BaFin) make a mandatory tender offer to all shareholders of the target company. The WpÜG contains a series of provisions intended to ensure the attribution of shareholdings to the person who actually controls the voting rights connected with the shares.

If a shareholder fails to disclose that the 30% threshold was reached or exceeded or fails to submit a mandatory public offer, the shareholder will be precluded from exercising the rights associated with these shares (including the voting right and in case of willful failure to send the notice and failure to subsequently send the notice in a timely fashion, the right to receive dividends) while such default subsists. In addition, an administrative fine may be imposed in the event of failure to comply with duties of notification.

3.2 Exclusion of minority shareholders

Pursuant to Sections 327a et seqq. AktG regarding the so-called "squeeze-out" process, the general shareholders' meeting of a stock corporation may upon the request of a shareholder holding at least 95% of the share capital resolve on the transfer of the shares of the remaining minority shareholders to such shareholder holding at least 95% of the share capital, in exchange for granting reasonable cash compensation.

The amount of the cash compensation to be granted to the minority shareholders must take into account "the circumstances of the company" at the time the resolution is adopted by the general shareholders' meeting. The amount of the compensation is determined by the full value of the enterprise which is normally determined using the capitalised earnings method (*Ertragswertverfahren*).

The shareholding requirements for a squeeze-out are lowered if the squeeze-out takes place in connection with the merger of a subsidiary into the parent company. According to Section 62 (5) of the German Reorganisation of Companies Act (*Umwandlungsgesetz*), the general shareholders' meeting of a transferring stock corporation may, within three months after the signing of the merger agreement, adopt a squeeze-out resolution in accordance with Section 327a AktG if the acquiring company is a German stock corporation, partnership limited by shares (*Kommanditgesellschaft auf Aktien*) or a European company (*Societas Europaea*, SE) having its seat in Germany that holds at least 90% of the registered share capital. After registration of the squeeze-out with the commercial register (*Handelsregister*), the merger can be implemented without a further resolution by the general shareholders' meeting of the subsidiary.

In addition to the squeeze-out process under the AktG summarised above, the WpÜG permits the so-called squeeze-out under the law on takeovers. Under these provisions, a bidder holding at least 95% of the voting share capital in a target company (within the meaning of the WpÜG) after a public takeover offer or mandatory offer can generally file a motion with the district court (*Landgericht*) of Frankfurt am Main for the transfer of the other voting shares in exchange for the grant of reasonable compensation by means of a court order within three months after expiration of the acceptance period. A resolution of the general shareholders' meeting is not necessary. The type of compensation must correspond to the consideration in the takeover offer or the mandatory offer; cash compensation must always be offered as an alternative. The consideration offered in connection with the takeover or mandatory offer is deemed to be reasonable if the bidder has acquired shares equal to at least 90% of the share capital affected by the offer. In addition, shareholders have a sell-out right. During squeeze-out proceedings under the law on takeovers initiated upon the motion of the bidder, the provisions on a squeeze-out under stock corporation law do not apply, and they are only applicable after a final conclusion of the squeeze-out proceedings under takeover law.

Pursuant to Sections 319 et seqq. AktG regarding the so-called integration process (*Eingliederung*), the general shareholders' meeting of a stock corporation can resolve on the integration into another company if the future principal company holds all (Section 319 AktG) or at least 95% (Section 320 AktG) of the shares of the company to be integrated. The existing shareholders in the integrated company have a claim for reasonable compensation which must as a general rule be granted in the form of treasury shares (*eigene Aktien*) in the principal company. The amount of the compensation must be determined using the so-called merger value ratio (*Verschmelzungswertrelation*) between the two companies, i.e. the exchange ratio which would be considered reasonable in the event of merging the two companies. In contrast to the rules governing squeeze-outs, integration is only possible if the future principle company is a stock corporation domiciled in Germany.

XI. EARNINGS AND DIVIDEND PER SHARE; DIVIDEND POLICY

1. General rules on the allocation of profits and dividend payments

The shareholders' share of the Company's profits is determined based on their respective interests in the Company's share capital. The annual General Shareholders' Meeting of the Company, which is generally held within the first eight months of each financial year (subject to any statutory exceptions allowing to hold the annual General Shareholders' Meeting later in the year), decides on the appropriation of any net retained profit and thus on the full or partial disbursement thereof to shareholders. The Executive Board and the Supervisory Board are required to submit a recommendation on the appropriation of profit, but the annual General Shareholders' Meeting of the Company is not bound by such recommendation. Individual shareholders have no claim to the disbursement of dividends unless the annual General Shareholders' Meeting of the Company has passed a resolution to that effect. The annual General Shareholders' Meeting may decide to make an in-kind distribution in addition to, or instead of, a cash distribution.

Under German law, dividends may only be distributed from the Company's net income (*Bilanzgewinn*), which are calculated on the basis of its audited unconsolidated annual financial statements in accordance with the accounting rules of the German Commercial Code (*Handelsgesetzbuch*) (the "**Distributable Profits**"). Accounting regulations under the German Commercial Code differ from the IFRS, which is used for the Group's accounting, in material aspects.

When determining the Distributable Profits, the profit or loss for the financial year (*Jahresüberschuss/-fehlbetrag*) must be adjusted for profits or losses carried forward (*Gewinn-/Verlustvorräge*) from previous financial years as well as for withdrawals from and transfers to reserves. Certain reserves are required to be set by law and must be deducted when calculating the Distributable Profits. Certain additional limitations apply if self-created intangible assets or deferred tax assets have been capitalised or certain plan assets that exceed corresponding pension liabilities have been capitalised. The Executive Board must prepare the annual financial statements (balance sheet, statement of income and notes to the financial statements) and the management report for the previous financial year by the statutory deadline, and present these to the auditors and the supervisory board immediately after preparation. At the same time, the Executive Board must present to the Supervisory Board a proposal for the allocation of the Company's Distributable Profits pursuant to Section 170 (2) AktG. Pursuant to Section 171 AktG, the Supervisory Board must review the annual financial statements, the Executive Board's management report and the proposal for the allocation of the Distributable Profits, and report to the General Shareholders' Meeting in writing on the results. The Supervisory Board must submit its report to the Executive Board within one month after the documents were received. If the Supervisory Board approves the annual financial statements after its review, these are deemed to be adopted unless the Executive Board and Supervisory Board resolve to assign the adoption of the annual financial statements to the General Shareholders' Meeting. If the Executive Board and Supervisory Board choose to allow the General Shareholders' Meeting to adopt the annual financial statements, or if the Supervisory Board does not approve the annual financial statements, the Executive Board must convene a General Shareholders' Meeting without delay.

The General Shareholders' Meeting's resolution on the allocation of the Distributable Profits requires a simple majority of the votes cast. If the Executive Board and the Supervisory Board adopt the annual financial statements, they can, in principle, allocate an amount of up to half of the Company's net income for the year to other surplus reserves. Additions to the legal reserves and loss carry-forwards must be deducted in advance when calculating the amount of net income for the year to be allocated to other surplus reserves. The General Shareholders' Meeting may also resolve to distribute the Distributable Profits by way of a dividend in kind in addition to or instead of a cash dividend, or it may allocate further amounts to retained earnings or carry such amounts forward as profit in the resolution on the appropriation of the Distributable Profits. Dividends resolved by the General Shareholders' Meeting are due and payable annually immediately after the General Shareholders' Meeting, unless provided otherwise in the dividend resolution, in compliance with the rules of the respective clearing system.

Clearstream automatically credits any dividends accruing on the Shares in the future to the securities accounts held at the respective custodian banks. Domestic custodian banks are under a corresponding obligation to their customers. Shareholders whose Shares are held in custodial accounts at foreign institutions should inform themselves about the procedure applicable at such institutions. Forfeited dividend claims shall accrue to the Company.

To the extent dividends can be distributed by the Company in accordance with the German Commercial Code (*Handelsgesetzbuch*) and corresponding decisions are taken, there are no restrictions on shareholder rights to receive dividends. Any dividends not claimed within the past three years become time-barred. If dividend payment claims expire, the Company becomes the beneficiary of the dividends. Under German law, there are no special procedures for non-resident holders for the exercise of the rights attached to the shares.

To the extent legally permissible, any Shares to be issued upon conversion of any Bonds will carry dividend rights as of the Company's financial year in which such Shares are issued (see "X.2.2 *Dividend rights, right to share in the liquidation proceeds and subscription rights*").

2. Dividend policy

The Company has not paid any dividend for recent financial years.

Any future determination to pay dividends will be made in accordance with applicable laws and restrictions under financing arrangements, and will depend on, among other factors, the Company's financial condition, results of operations, legal requirements, capital requirements, business prospects and other factors that the Executive Board and Supervisory Board deem relevant.

Moreover, the Syndicated Credit Agreement (see also "XIV.3.2 *Syndicated Credit Agreement*") stipulates that a proposal to declare dividends from profits, retained earnings or other sources may only be made by the Executive Board and Supervisory Board to the General Shareholders' Meeting if

- (i) the payment of such dividends becomes due after the date on which Kreditanstalt für Wiederaufbau (KfW) or any other future state lender has ceased to participate in Facility B under the Syndicated Credit Agreement;
- (ii) an equity ratio (i.e. the ratio of equity to total assets) of 25% has been achieved prior to such proposal and will be maintained following such proposal;
- (iii) leverage (i.e. the ratio of net debt to adjusted EBITDA) has been less than 2.5:1 for at least four consecutive financial quarters preceding such proposal; and
- (iv) a pro forma calculation evidences that (i) leverage would have been less than 2.5:1 for the financial quarter immediately preceding such proposal taking into account pro forma the issuance of such dividend, and (ii) leverage for the financial quarter immediately following such proposal is less than 2.5:1.

The Company is of the opinion that all available funds and future earnings shall be used to finance the further growth and development of the Group's business and to repay outstanding financial indebtedness and does not intend to pay dividends for the years 2020 and 2021.

XII. PROFIT FORECAST

This section relates to the forecast of the revenue and EBIT margin of the Schaltbau Group for the financial year 2021 as well as to the EBIT margin target of the Schaltbau Group for 2026 and is not a description of facts and should not be construed as such by potential investors. Rather, it is a statement about the expectations of Schaltbau's management in respect of the aforementioned performance indicators. Profit forecasts are directed towards the future and as such naturally subject to considerable uncertainty. To handle this uncertainty, the executive board of the Company (the "**Executive Board**") based the profit forecast on certain assumptions. Although the Executive Board deems this profit forecast to be realistic, it is possible that underlying assumptions, expectations and projections will not materialise or that risks and uncertainties may arise. Current events may therefore differ materially from the expected circumstances. This may be due to a number of factors, including factors that can be influenced (albeit possibly only to a minor extent) and factors that cannot be influenced by the Company. Should one or more of the assumptions prove to be incorrect or unfounded, the Group's actual results could differ materially from those projected. Potential investors should therefore not be guided to an unreasonable extent by this profit forecast when making their investment decision.

The way in which the Executive Board calculates the different performance indicators may not be consistent with the way in which other companies calculate them. Accordingly, the performance indicators presented here may not be comparable with these or comparable performance indicators of other companies (see "*IV.5.3 Alternative performance measures*").

1. Profit forecast for the financial year 2021 and EBIT margin target for 2026

The forecast of the revenue and EBIT margin of the Schaltbau Group for the financial year 2021 and the EBIT margin target of the Schaltbau Group for 2026 as previously published by the Company are still valid.

Based on the factors and assumptions and associated uncertainties described below, the Company's management targets (i) a Group revenue in the range of EUR 520 million to EUR 540 million and, on this basis, an EBIT margin of approx. 5% in the financial year 2021 as well as (ii) a high-single digit EBIT margin by 2026.

2. Notes on the profit forecast

The profit forecast was prepared in accordance with the principles of the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland e.V. – IDW*) on the preparation of profit forecasts and estimates in accordance with the specific requirements of the regulation on prospectuses (IDW AcPS AAB 2.003) (the "**IDW Accounting Practice Statements**").

The profit forecast has been compiled and prepared on a basis which is both comparable with the historical financial information and consistent with the Company's accounting policies.

3. Factors and assumptions influencing the forecast for the financial year 2021

The forecast for the financial year 2021 is influenced by a number of factors and is based on certain assumptions that are set out below.

3.1 Factors that cannot be influenced by the Company and related assumptions

The forecast for the financial year 2021 is subject to factors which the Company cannot influence. These factors and the Company's related assumptions are set forth below.

3.1.1 Development of the business and economic environment

In preparing its forecast, the Company has assumed that the global economic growth will amount to approx. 5.5% in 2021 and that the global market for rail transport will grow at a compound annual growth rate of approx. 2.3% through 2025. This growth is expected to be driven by all product segments, with rail vehicles and rail infrastructure being among the fastest-growing submarkets. Positive growth trends are expected for all regions of the global market.

The Company has further assumed that the Third Service and Financing Agreement (LuFV III) concluded between the German Federal Government and Deutsche Bahn on 14 January 2020, which provides for a total of around EUR 86 billion in funding for investments in rail infrastructure by the German state and Deutsche Bahn until 2030, the annual renewal of 2,000 kilometers of rails and 2,000 switches and investments of approx. EUR 7 billion for interlocking technology, will be realised as planned.

Moreover, the Company has assumed that the European Union and the German Federal Government will stick to their climate targets and aim for a corresponding reduction in greenhouse gas emissions, while continuing to foster vehicles (including buses) with alternative drive systems and expanding the charging and refueling infrastructure.

3.1.2 Impact of the COVID-19 pandemic

The ongoing COVID-19 pandemic entails risks that could jeopardise the achievement of the targets set for 2021, such as closures of Schaltbau's or customer's production sites, bottlenecks in the procurement of materials, the absence or loss of employees, a cyclical decline in demand and/or a postponement or cancellation of orders, especially in the area of rolling stock. In preparing its forecast, the Company has assumed that these risks will occur for a limited period of time, that some of the resulting delivery delays can be made up by the end of the year and that the COVID-19 pandemic will not have a lasting impact on the global economy for the financial year 2021.

3.1.3 Unforeseen events such as force majeure

In preparing its forecast, the Company has assumed that no material unforeseen events will occur that could cause significant or prolonged disruption to the business of the companies of the Schaltbau Group in the financial year 2021, including force majeure (e.g. fire, flood, hurricane, storm, earthquake, epidemic, pandemic (other than the COVID-19 pandemic) or terrorist attack), strikes, extraordinary macroeconomic events or war.

3.1.4 Changes in the project business

In preparing its forecast, the Company has assumed that there will be no significant changes in the project business, in particular that no adverse weather conditions will negatively affect sales of the Schaltbau Group's products and/or lead to project delays and thus impaired project acceptance and profit realisation.

3.1.5 Changes in customers' investment behavior and general demand

In preparing its forecast, the Company has assumed that there will be no significant changes in customers' investment behavior and general demand.

3.1.6 Price development of the Schaltbau Group's products and services

In preparing its forecast, the Company has assumed that the price level for the products and services of the Schaltbau Group will remain stable in the financial year 2021.

3.1.7 Procurement

In preparing its forecast, the Company has assumed that the price for raw materials will not differ significantly compared to the financial year 2020 and that there will be no significant delays and shortfalls on the procurement side.

3.1.8 Legislative and other regulatory changes

In preparing its forecast, the Company has assumed that there will be no significant changes to the existing legal or regulatory framework and that there will be no material changes to the tax law or the tax environment of the Group in the financial year 2021.

3.1.9 Exchange rate development

In preparing its forecast, the Company has assumed the following average exchange rate for US dollar and euro throughout the financial year 2021: 1 USD = 0.84 EUR.

3.2 Factors that can (to a limited extent) be influenced by the Company and related assumptions

The forecast for the financial year 2021 is further subject to factors which the Company can (to a limited extent) influence. These factors and the Company's related assumptions are set forth below.

3.2.1 Order situation

In preparing its forecast, the Company has assumed that the good order situation will continue in the financial year 2021 and that Group order intake will amount to EUR 550 million to EUR 580 million.

3.2.2 Productivity increases and material savings

In preparing its forecast, the Company has assumed that productivity improvements and savings in direct and indirect materials will be achieved.

3.2.3 Realisation of projects

In preparing its forecast, the Company has assumed that actual project acceptances, in particular of those projects for which the Schaltbau Group has already been contracted, will not deviate significantly from planned project acceptances and the resulting revenue recognition.

3.2.4 Overhead costs

In preparing its forecast, the Company has assumed that the expected growth will lead to a correlating increase in personnel expenses in the financial year 2021. The Company has further assumed that the ratio of other operating or administrative expenses to revenue will be comparable to the financial year 2020.

3.2.5 Construction of new production site in Velden

In preparing its forecast, the Company has assumed that the budgeted investment amount for the construction of the new production site in Velden will not increase above plan caused by unforeseen circumstances or events.

3.2.6 Implementation of capital measures (if required) and financial costs

In preparing its forecast, the Company has assumed that capital measures, if required, can successfully be carried out and that sufficient liquid funds will be available and that the interest rate risk as well as the liquidity risk will remain low.

4. Factors and assumptions influencing the EBIT margin target for 2026

In addition to the factors and assumptions described above under "3. Factors and assumptions influencing the forecast for the financial year 2021", the EBIT margin target for 2026 is influenced by a number of further factors and is based on certain further assumptions that are set out below.

4.1 Factors that cannot be influenced by the Company and related assumptions

The EBIT margin target for 2026 is, in addition to the factors relating to the forecast for the financial year 2021, which the Company cannot influence, subject to the following factors, which the Company cannot influence, and the related assumptions set forth below:

4.1.1 Potential implications or effects of the COVID-19 pandemic in the long-term

Should the COVID-19 pandemic adversely affect the global economy and order intake for the Schaltbau Group's products or lead to postponements or cancellations of orders by customers also beyond 2021 or result in structural changes in the long-term that currently cannot be foreseen, this could jeopardise the achievement of the target set for 2026. With respect to the targeted EBIT margin by 2026, the Company has assumed that the COVID-19 pandemic will not have any adverse implications or effects relevant to the Schaltbau Group beyond 2021.

4.1.2 Implementation and funding of the “Digital Rail for Germany” programme

In the context of digitisation of rail infrastructure and operation, the programme “Digital Rail for Germany” has been set up by Deutsche Bahn, which aims at equipping the rail infrastructure with new digital train control and safety systems and digital interlockings. The Company has assumed that this programme will be implemented as scheduled and financed with public funds as planned.

4.1.3 Mega trends and related growth of markets of New Energy, New Industry and New Mobility

The Schaltbau Group particularly depends on the development of transportation infrastructure. One discernible trend in this regard is the advancing digitisation and networking of the rail sector and commercial vehicle industry. Driven by digitisation, rail and commercial vehicle manufacturers are currently undergoing a transformation process that focuses on the integration of software and interfaces to various bus systems, aiming at increasingly network individual subsystems into larger system units. The range of combined system solutions includes, among other things, the increased use of sensor solutions in door and boarding systems, and the expansion of the product range for interior furnishings and on-board electrical and electronic systems for rail vehicles.

In addition, new, fast-growing markets such as New Energy and New Mobility are being driven by the dynamic spread of DC applications and of e-mobility and hybrid drive technology (e.g. fuel cells) as well as by the increasing use of battery technologies in stationary applications and the development of new mobility concepts such as autonomous driving, which, for example, affects the demand for and technological requirements of electric buses, hybrid vehicles and the particularly powerful charging stations they require.

The market development is also driven by urbanisation and growing mobility, which are leading to an increasing demand for infrastructure for local and long-distance transport. A growing ecological awareness within society, the limited availability of fossil fuels, a switch to renewable energies and increased climate protection measures and carbon emission reduction efforts are favouring a shift in transportation from road to rail. The international division of labour and the above-average growth of emerging economies are also leading to a growing demand for transportation infrastructure. At the same time, requirements for safety, reliability and comfort in passenger transportation are increasing, for example with regard to modern boarding systems for rail and road vehicles.

With respect to the targeted EBIT margin by 2026, the Company has assumed that the mega trends described above will continue and further accelerate in future years and the markets of New Energy, New Industry and New Mobility will grow accordingly.

More specifically, the Company has assumed that the total energy demand for e-mobility as well as the number of electric vehicles on the road (in China, the European Union and the United States) will each grow at a compound annual growth rate (CAGR) of approx. 31% from 2020 to 2030. Further, the Company has assumed that the global stationary and transportation energy storage market will grow at a compound annual growth rate (CAGR) of approx. 12% from 2020 to 2030.

4.1.4 Technological change

The Company has assumed that the ongoing technological change with regards to digitisation will continue to be based on electromechanical components such as the contactors, connectors and switches offered by the Schaltbau Group and that no disruptive technologies and products will be introduced to the market which are superior to the Group's technologies and products.

4.1.5 Pricing pressure and factor costs

The Company has assumed that the already high pricing pressure will not further intensify (e.g. due to consolidation in the markets of the Schaltbau Group's customers) to an extent that would result in a significant decrease of profit margins.

Moreover, the Company has assumed that the price for raw materials and labour costs will develop in accordance with the inflation rate, whereby the Company has assumed a moderate increase of the inflation rate over the next years until 2026.

4.2 Factors that can (to a limited extent) be influenced by the Company and related assumptions

The EBIT margin target for 2026 is, in addition to the factors relating to the forecast for the financial year 2021, which the Company can influence (to a limited extent), subject to the following factors, which the Company can influence (to a limited extent), and the related assumptions set forth below:

4.2.1 Revenue development

The Company has assumed that Group revenues will significantly increase in the mid-term and will be in a range of EUR 750 million to EUR 800 million by 2026 (with the rail sector accounting for approx. 60% and the DC application sector accounting for approx. 40% of the total revenue in 2026).

In this context, the Company has assumed that the Group will, inter alia, benefit from projects and orders assigned to it under the programme "Digital Rail for Germany".

4.2.2 Realisation of growth targets and execution and delivery of strategy

The Company has assumed profitable organic growth in its core business of rail infrastructure and rolling stock/bus through 2026. Further, the Company has assumed high growth in the markets for DC applications, New Energy, New Industry, New Mobility as well as in the area of modernisation and refurbishment of rolling stock through 2026.

The Company has furthermore assumed that its new strategy focusing on sustainable performance improvement rather than pure revenue growth will lead to the anticipated positive effects on results and profitability will significantly improve, in particular by driving growth in high-margin business. Moreover, the Company has assumed that production in the area of rolling stock can partly be relocated to best cost countries and that the Group's cost position will improve as anticipated as a result of selective tuck-in acquisitions.

4.2.3 Completion of and positive effects from new production site in Velden

The Company has assumed that the construction of the new production site in Velden will be completed as scheduled with start of operations in autumn 2022.

The Company has further assumed that efficiency increases and an incremental revenue of EUR 140 million to EUR 160 million by 2026 compared to the financial year 2020 can be realised through the new plant.

4.2.4 Unforeseen events impacting the Schaltbau Group's market share, reputation or financial position

In preparing its forecast, the Company has assumed that no material unforeseen events will occur that could have a significant adverse effect on the Schaltbau Group's market share, reputation or financial position through 2026, such as major legal or administrative proceedings, significant product defects or recalls, significant changes in the competitive environment etc.

5. Other notes

The forecast does not take into account extraordinary results, results from non-recurring activities and extraordinary tax charges as defined in the IDW Accounting Practice Statements.

XIII. CAPITALISATION AND INDEBTEDNESS; STATEMENT ON WORKING CAPITAL

The following tables present the capitalisation and indebtedness of the Group as of 31 December 2020. The information in these tables is taken or derived from Consolidated Financial Statements 2020 and our internal accounting records and management reporting systems and has not been audited.

Investors should read the information presented in these tables in conjunction with the Financial Statements incorporated into the Prospectus by reference (see "IV.6 Documents incorporated by reference").

1. Capitalisation

(in TEUR)	As of 31 December 2020
Total current debt (including current portion of non-current debt) ¹	147,672
Guaranteed	0
Secured ²	2,743
Unguaranteed / unsecured	144,929
Total non-current debt (excluding current portion of non-current debt) ³	173,429
Guaranteed	0
Secured ²	96,257
Unguaranteed / unsecured	77,172
Shareholder equity	90,735
Share capital	10,800
Legal reserve(s)	231
Other reserves ⁴	79,704
Total	411,836

1 "Total current debt" corresponds to the consolidated balance sheet item "current liabilities" including the sub-items "Personnel-related provisions", "Other provisions", "Income taxes payable", "Financial liabilities", "Trade accounts payable", "Contract liabilities (current)" and "Other liabilities".

2 Includes shares of subsidiaries and registered mortgages pledged as collateral.

3 "Total non-current debt" corresponds to the consolidated balance sheet item "Non-current liabilities" including the sub-items "Pension provisions", "Personnel-related provisions", "Other provisions", "Financial liabilities", "Contract liabilities (non-current)", "Other liabilities" and "Deferred tax liabilities".

4 Corresponds to the balance sheet items "Capital reserves", "Revenue reserves", "Currency translation reserves", "Revaluation reserves" and "Minority interests".

2. Net financial indebtedness

(in TEUR)	As of 31 December 2020
A. Cash.....	39,379
B. Cash equivalents	-
C. Other current financial assets	-
D. Liquidity (A)+(B)+(C).....	39,379
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt) ¹	8,810
F. Current portion of non-current financial debt	1,777
G. Current financial indebtedness (E+F)	10,587
H. Net current financial indebtedness (G)-(D)	-28,792
I. Non-current financial debt (excluding current portion and debt instruments) ²	108,598
J. Debt instruments.....	-
K. Non-current trade and other payables	18,192
L. Non-current financial indebtedness (I)+(J)+(K)	126,790
M. Net financial indebtedness (H)+(L)	97,998

¹ Includes current lease liabilities in the amount of TEUR 2,747.

² Includes non-current lease liabilities in the amount of TEUR 9,352.

3. Indirect and contingent indebtedness

As of 31 December 2020, the Group's contingent indebtedness (i.e. the maximum total amount payable in relation to obligations which although incurred by the issuer have yet to have its final amount assessed with certainty, irrespective of the likely actual amount payable under that obligation at any one moment in time) amounted to TEUR 68,168. Schaltbau's contingent indebtedness consist of guarantees from banks and credit insurance companies in the amount of TEUR 37,476 and parent company guarantees in the amount of TEUR 30,692.

4. Statement on working capital

As of the date of the Prospectus, the Company is of the opinion that the working capital is sufficient for the issuer's present requirements and to cover its working capital needs for a period of at least 12 months following the date of the Prospectus.

The proceeds from the offer of the Bonds have not been included in the calculation of the Company's working capital.

5. No significant change in the financial position of the Group

There has been no significant change in the financial position of the Group since 31 December 2020.

XIV. BUSINESS

1. Business overview

With its products, systems and solutions, the Schaltbau Group is primarily a supplier to the railway industry – both in the field of infrastructure and vehicles (rolling stock). In addition, Schaltbau develops and supplies electromechanical components and solutions for battery-powered direct current (“DC”) applications in the automotive and capital goods industries.

Under the four core brands Pintsch, Bode, Schaltbau and SBRS, the Group offers a broad portfolio of technologies and customer-specific solutions for rolling stock, rail infrastructure, road vehicles and of other industrial applications. Schaltbau is increasingly active in new, fast-growing markets outside the rail sector where DC applications are used for the generation, transmission and storage of electrical energy. These include DC-based industrial applications in particular in the capital goods industry (New Industry), the fields of regenerative energy generation and decentralised energy storage applications (New Energy) as well as e-mobility and e-charging infrastructure (New Mobility). The Group’s main customers are OEMs, followed by rail infrastructure operators.

The Schaltbau Group comprises Schaltbau Holding AG and its subsidiaries with in total about 2,900 employees, sales and manufacturing facilities in 14 countries and more than 60 sales partners worldwide, with Germany and other EU countries as well as China and the USA being among the most relevant sales markets for the Group.

The operative business is mainly conducted by the subsidiaries, whereas Schaltbau Holding AG, as ultimate parent company of the Group, is responsible for the Group’s strategic orientation and control. It fulfils this responsibility by ensuring the implementation of the Group strategy, including the communication of clear objectives, the allocation of capital to the individual segments, the monitoring of financial and non-financial key figures of the progress of internal projects and the assessment of opportunities and risks for pending and executed major contracts. Schaltbau Holding AG further provides centralised functions for the entire Group such as the appointment of staff to management positions in the Group’s subsidiaries, the provision of IT systems for uniform financial management throughout the Group, Group accounting and controlling, cash management, investor relations and corporate communications. It is also responsible for the Group’s governance functions of compliance, legal matters, auditing, risk management and corporate social responsibility.

The structure of most product lines of Schaltbau is characterised by a high level of vertical integration, ranging from research and development to production and distribution. In the project business, in contrast, Schaltbau mainly relies on supplied components and construction services.

The Group’s operative business comprises four areas: (i) rail infrastructure technology, (ii) door systems, boarding systems for trains, buses and commercial vehicles and interior fittings for rolling stock, (iii) electromechanical components and solutions for railway technology and industrial applications, and (iv) modernisation and refurbishment of rolling stock as well as charging infrastructure for electric vehicles.

In the rail infrastructure technology area, the Group is active through Pintsch GmbH, Dinslaken, Germany, and its subsidiaries (“**Pintsch Group**”). Pintsch Group supplies Deutsche Bahn as well as several German and foreign rail infrastructure operators, including private and company railway systems, with electrical equipment for rail infrastructure and stationary transportation technology. Pintsch Group’s product range is focussed on the provision of systems, components and services for rail traffic, from the planning, development and production, through installation, testing and commissioning to repairs, maintenance, spare parts supply, training and digital services. In some cases, Schaltbau also assumes overall responsibility for the renewal of entire sections of track. Pintsch Group’s most important product fields include computer-controlled railway crossing safety technologies, interlocking and axle counting systems, tunnel security lighting, point heating systems as well as shunting and signal technology.

Schaltbau sees modernisation and digitisation of rail infrastructure and operation as a growth area with substantial growth potential for the whole Group and in particular for the Pintsch Group. In this regard, Schaltbau is monitoring developments in the multi-year rail infrastructure investment programme announced by the German Federal Government and Deutsche Bahn, which concluded the Third Service and Financing Agreement (*Leistungs- und Finanzierungsvereinbarung III*, “**LuFV III**”) on 14 January 2020. LuFV III provides for a total of around EUR 86 billion in funding for investments in rail infrastructure by the German state and Deutsche Bahn until 2030 (i.e. approx. EUR 8.6 billion per year in average),

the annual renewal of 2,000 kilometers of rails and 2,000 switches and investments of approx. EUR 7 billion for interlocking technology. Moreover, in the context of digitisation of rail infrastructure and operation, the future project “Digital Rail for Germany” has been set up by Deutsche Bahn, which aims at equipping the rail infrastructure with new digital train control and safety systems and digital interlockings. As part of this project, in December 2020, Pintsch GmbH concluded a major contract with DB Netz AG with a total volume of around EUR 40 million until 2024. The digital interlocking systems and field components to be delivered by Pintsch GmbH under this first order are scheduled to be operational in September 2023.

In the area of door systems, boarding systems and interior fittings, the Group operates through Gebr. Bode GmbH & Co. KG, Kassel, Germany, and its subsidiaries, including Rawicka Fabryka Wyposażenia Wagonów “RAWAG” Sp. z o.o. in Rawicz, Poland (“**RAWAG**”) and the joint venture BoDo Bode Doğrusan A.S. in Bursa, Turkey (the “**Bode Group**”). The Bode Group is a supplier of modular door and boarding systems for trains, buses and commercial vehicles as well as of interior fittings for rolling stock. Its range of services includes development, production, installation and commissioning at the vehicle manufacturer. The Bode Group supports the operators of such vehicles throughout the entire service life of the vehicles with readily available spare parts packages, maintenance personnel and a digitally supported after-sales service. The product group “Rail Vehicle Systems” comprises complete systems with security technology and boarding systems for trams, underground and suburban trains as well as regional and high-speed long-distance trains.

In addition, the Bode Group supplies door systems for city buses, coaches and commercial vehicles and is integrated into many platforms of the major manufacturers. The product group “Road Vehicle Systems” includes sliding doors with guide systems for box bodies, such as those used in commercial vehicles from the courier, express and parcel services sector.

The Bode Group covers the entire value chain in the field of door and boarding systems. Bode Group entities with their own production facilities in Poland, Turkey, the USA, China and the UK as well as sales activities in South Korea enable direct market access in each of these regions. The Polish subsidiary RAWAG works in close partnership with the Bode Group in manufacturing interior systems for rolling stock, primarily for the European market. RAWAG’s production range includes windows for rolling stock, a variety of components for interior fittings as well as aluminium components for railway carriages.

In the area of electromechanical components and solutions for railway technology and industrial applications, the Group operates through Schaltbau GmbH, Munich, Germany, and its subsidiaries (the “**Schaltbau GmbH Group**”). The core business of the Schaltbau GmbH Group consists of the development, manufacturing and sale of contactors, plugs, connectors, snap-action switches and other switching systems as well as a range of other electromechanical components such as master controllers and driver’s desk and cab equipment for a broad spectrum of applications in the sectors railway, automotive, New Energy and New Mobility as well as other industries. In addition to its German production sites in Velden and Aldersbach, the Schaltbau GmbH Group is represented internationally by SPIL S.p.A. in Saronno, Italy, as well as by nine further subsidiaries, two representative offices and over 60 sales partners. Large-scale production sites are also located in Xi’an (China), where Xi’an Schaltbau Electric Corporation Ltd. manufactures and markets railway components for the Chinese market.

Schaltbau GmbH is currently in the process of constructing a new production site in Velden, Germany (so-called “NEXt Factory”). With this new plant Schaltbau is aiming at creating a modern facility with a locally CO₂-free energy concept for developing and manufacturing electromechanical components such as contactors, connectors and switches for a wide range of DC applications in the industry, the rail sector and the markets of New Energy and New Mobility, enabling Schaltbau to enter into and further grow in new market segments and realise efficiency increases. The new plant is a key element for Schaltbau Group’s targeted further growth in the markets of New Energy, New Industry and New Mobility, which strongly rely on the use of DC applications. The production at the new site is intended to be compatible with the IATF 16949 standard, which defines the requirements of quality management systems, particularly in the automotive industry. Schaltbau is aiming at creating synergy effects at the NEXt Factory by making use of the existing structures of and merging the administration with the existing site in Velden and the headquarters in Munich. The completion of the new plant with the first stage of production capacity is currently scheduled for autumn 2022. For this new production site, Schaltbau’s management targets an incremental revenue of EUR 140 million to EUR 160 million by 2026 compared to the financial year 2020 at attractive EBIT margins and a pay-back time of six to seven years.

In the area of modernisation and refurbishment of rolling stock as well as charging infrastructure for electric vehicles, the Group operates through SBRS GmbH. SBRS GmbH is active in the aftermarket business, in particular in the customised project business for modernising, refurbishing, enhancing, maintaining and repairing rolling stock. SBRS GmbH focuses on the full and partial modernisation and refurbishment of trains, including ancillary services such as customer trainings and advice, air-conditioning service or general inspection, thereby leveraging the Group's broad range of products and solutions which SBRS GmbH deploys to develop, design and implement customer-specific refurbishing and retrofitting solutions. SBRS GmbH further provides customised high-performance fast-charging infrastructure systems for electric vehicles such as e-buses based on DC for urban use.

In accordance with the four areas of business in which Pintsch Group, Bode Group, Schaltbau GmbH Group and SBRS GmbH are operating, the Group's segment reporting is divided into Pintsch segment, Bode segment, Schaltbau segment and SBRS segment.

2. Material investments

Material investments made since 31 December 2020 and which are in progress mainly relate to the construction of the new production site of Schaltbau GmbH in Velden ("NExT Factory").

As per the budget planning for the financial year 2021, a total amount of approx. EUR 34.6 million has been firmly committed for major investments of the Schaltbau Group, including (i) the construction of the NExT Factory, (ii) selective tuck-in acquisitions, (iii) the extension of the plant of RAWAG, and (iv) the construction of a new joint logistics center of Pintsch Group and SBRS GmbH. In addition, for the financial year 2021, a total amount of approx. EUR 22.9 million has been firmly committed for replacement and growth investments of the Schaltbau Group.

The aforementioned investments are intended to be financed with existing working capital and part of the proceeds from the issuance of the Bonds (see "*VIII.2 Reasons for the offering and use of proceeds*"). Should the proceeds from the issuance of the Bonds be lower than envisaged by the Company, the Company may decide to reduce the amount to be invested in the construction of the NExT Factory in 2021.

3. Material contracts

3.1 Pre-Placement Agreement related to the Subscription Offer of the Bonds

On 1 March 2021, the Company entered into a pre-placement agreement with several of its shareholders (collectively, the "**Pre-Placement Shareholders**" and each a "**Pre-Placement Shareholder**") in connection with the contemplated offer and issuance of the Bonds (the "**Pre-Placement Agreement**"). In the Pre-Placement Agreement, each Pre-Placement Shareholder committed to acquire up to 60,000 Bonds that are not subscribed for by shareholders in the Subscription Offer. Taken together, the Pre-Placement Shareholders undertook to acquire Bonds in an aggregate principal amount of up to EUR 60,000,000.

Should the total number of Bonds the Pre-Placement Shareholders committed to acquire exceed the total number of Unsubscribed Bonds, the Pre-Placement Agreement provides for a proportionate allocation of the Unsubscribed Bonds among the Pre-Placement Shareholders in accordance with the ratio of the number of Bonds committed for acquisition by the respective Pre-Placement Shareholder to the total number of Bonds the Pre-Placement Shareholders committed to acquire.

As consideration for the partial securing of the placement of the Bonds, the Company agreed to pay to each Pre-Placement Shareholder in case of execution of the Subscription Offer and provided the Pre-Placement Shareholder has met its obligations under the Pre-Placement Agreement, a fee of 2.5% of the aggregate principal amount of the Bonds for which the respective Pre-Placement Shareholder has committed to acquire pursuant to the Pre-Placement Agreement (however, to all Pre-Placement Shareholder together a maximum amount of 2.5% of the aggregate principal amount of all Bonds offered in the Subscription Offer).

3.2 Syndicated Credit Agreement

On 17 June 2019, the Company as borrower and guarantor, and several subsidiaries of the Company as guarantors, entered into a syndicated credit agreement with Commerzbank Aktiengesellschaft and

UniCredit Bank AG as lead arrangers, Commerzbank Finance & Covered Bond S.A. as facility agent and security agent, and certain financial institutions as lenders (as amended, the “**Syndicated Credit Agreement**”). The Syndicated Credit Agreement has been amended several times, most recently on 19 June 2020 in order to provide the Company with short term liquidity assistance required in light of the COVID-19 pandemic by increasing the credit line with Kreditanstalt für Wiederaufbau (KfW) joining the Syndicated Credit Agreement as additional lender. The total amount of the facilities under the Syndicated Credit Agreement has been gradually increased from initially EUR 103 million to EUR 172 million.

Under the Syndicated Credit Agreement, the lenders make available to the Company a revolving loan facility for drawings in euro in an aggregate amount of EUR 112 million (“**Facility A**”) and a revolving loan facility for drawings in euro in an aggregate amount of EUR 60 million (“**Facility B**”) to be used to finance the general corporate purposes of the Group, including the refinancing of existing financial liabilities, overcoming liquidity shortages as a result of the COVID-19 pandemic and investments in the ordinary course of business, but excluding long term expansion investments (e.g. regarding the new production site in Velden). The credit line can be used as a cash line and partly as a guarantee line. The shares of the direct subsidiaries of the Company have been pledged as collateral.

The Syndicated Credit Agreement has a fixed term of three years and provides for two one-year extension options in favour of the Company. Facility B may only be utilised if Facility A is drawn in an aggregate amount of at least EUR 70 million. Otherwise, utilisation of the loan facilities under the Syndicated Credit Agreement is subject to customary terms and conditions. It provides for a variable interest rate as a margin to EURIBOR. The amount of the margin was initially 3.6% p.a. in relation to Facility A and 3.1% p.a. in relation to Facility B and varies from 1.0% to 4.5% p.a. during the term of the Syndicated Credit Agreement depending on the leverage ratio (ratio of net debt to adjusted EBITDA as defined in the Syndicated Credit Agreement). Since 1 January 2021, the applicable margin is 3.10% p.a. in relation to Facility A and Facility B.

The Syndicated Credit Agreement provides for certain financial covenants to be complied with. The Company is, inter alia, obliged to ensure that the equity ratio (i.e. the ratio of equity to total assets) does not fall below a specified value, which is tested quarterly at the end of each quarter. The minimum value to be complied with increases successively in the course of 2021 (15% as at 31 March 2021, 16% as at 30 June 2021, 17% as at 30 September 2021, 20% as at 31 December 2021) and amounts to 25% as at each relevant reporting date thereafter. Moreover, the Syndicated Credit Agreement stipulates that a certain adjusted EBITDA (as specified in the agreement) must be met on certain testing dates (at least EUR 5,000,000 on 31 March 2021, at least EUR 15,000,000 on 30 June 2021, at least EUR 20,000,000 on 30 September 2021 and at least EUR 30,000,000 on 31 December 2021) and that, following and excluding 31 December 2021, the leverage, i.e. the ratio of net debt to adjusted EBITDA, shall be less than or equal to 3.0:1.0.

The Syndicated Credit Agreement furthermore provides for certain undertakings and restrictions with respect to the Company and the other Group companies according to which, among other things, the creation of security over their assets, the disposition over assets, the acquisition of shares in companies, the participation in joint ventures, the granting of loans and the incurrence of additional indebtedness, a dividend proposal by the Company to its annual General Shareholders’ Meeting, or a buy-back of shares or debt are only permitted under certain conditions or with the consent of the lenders.

If the covenants or other obligations under the Syndicated Credit Agreement are not complied with and such non-compliance is not waived by the lenders, each individual lender is entitled to cancel its commitment and demand immediate repayment of the loans granted by it, together with accrued interest and all other amounts accrued. The same applies in the event of a change of control in relation to the Company.

3.3 Factoring Agreement (ABS programme)

On 1 August 2019, the Company and its subsidiaries Gebr. Bode GmbH & Co. KG, Schaltbau GmbH, Pintsch GmbH and Rawicka Fabryka Wyposażenia Wagonów “RAWAG” Sp. z o. o. entered into a receivables purchase and servicing agreement with Silvertower S.A., acting on behalf and for the account of its Compartment Connect (the “**Purchasing Company**”), which was amended and restated on 23 July 2020 (the “**Factoring Agreement**”). On the basis of the Factoring Agreement, the aforementioned subsidiaries of the Company (the “**Sellers**”) sell certain trade receivables arising from the sale of goods against debtors who are domiciled in the European Union and Switzerland to the Purchasing Company on a revolving basis against payment of a purchase price.

The receivables that are sold from the various portfolios are identified in an automated process in compliance with the purchase criteria stipulated in the Factoring Agreement. Receivables are sold and settled on a weekly basis. The Factoring Agreement does not include any buy-back arrangements. While the credit risk (*Delkredererisiko*) is transferred from the Sellers to the Purchasing Company together with the receivable (i.e. the Purchasing Company does not have any recourse to the Sellers for reason of a default after the sale of such receivable), the Sellers remain liable for the remaining commercial and/or legal risks associated with the purchase of receivables under the Factoring Agreement, in particular, without limitation, the risk associated with the legal validity of the receivables (*Veritätsrisiko*).

The Sellers have to pay a transaction fee to the Purchasing Company that covers funding costs and fixed costs. The Company acts as guarantor for the obligations of the Sellers under the Factoring Agreement. The purchase of receivables by the Purchasing Company from the Sellers is funded via Commerzbank Aktiengesellschaft who acts as note purchaser.

The Factoring Agreement has an initial fixed term of five years and is, unless terminated by any party, automatically extended for additional periods of one year thereafter. The Purchasing Company may terminate the Factoring Agreement in case of the occurrence of certain events, including, inter alia, a breach of a financial covenant under the Syndicated Credit Agreement (irrespective of whether the banks waive their termination rights under the Syndicated Credit Agreement in respect of the relevant covenant breach) or the occurrence of a change of control in relation to the Company.

4. Overview of group financing

The financing of the Schaltbau Group mainly consists of (i) the facilities provided by the lenders under the Syndicated Credit Agreement (as of 31 December 2020, the utilised balance under the Syndicated Credit Agreement totalled EUR 95 million and consisted of cash borrowings of EUR 62 million and guarantees of EUR 33 million), (ii) promissory note loans (which were, as of 31 December 2020, outstanding in an aggregate nominal amount of EUR 10.5 million) and (iii) several other bilateral loan agreements with credit institutions.

For further information on the Group's financing liabilities as of 31 December 2020, see note no. 25 (*Liabilities*) of the notes to the Consolidated Financial Statements 2020.

5. Legal or arbitration proceedings

In March 2021, the Company received a hearing letter (Anhörungsschreiben) from BaFin regarding a resolution passed by the Company in connection with an ad hoc notification. Apart from that, Schaltbau is not and was not party to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the previous twelve months, which may have, or have had in the recent past significant effects on the Company's and/or the Group's financial position or profitability.

6. Trend information

Our performance and future growth is affected by macroeconomic and industry specific factors and trends.

We particularly depend on general demand trends and the development of transportation infrastructure. One discernible trend in this regard is the advancing digitisation and networking of the rail sector and commercial vehicle industry, which, for example, is leading to the development of new, high-growth technologies and systems within the market for rail suppliers. Driven by digitisation, rail and commercial vehicle manufacturers are currently undergoing a transformation process that focuses on the integration of software and interfaces to various bus systems, aiming at increasingly network individual subsystems into larger system units. The range of combined system solutions includes, among other things, the increased use of sensor solutions in door and boarding systems, and the expansion of the product range for interior furnishings and on-board electrical and electronic systems for rail vehicles.

In addition, new, fast-growing markets such as New Energy and New Mobility are being driven by the dynamic spread of DC applications and of e-mobility and hybrid drive technology (e.g. fuel cells) as well as by the increasing use of battery technologies in stationary applications and the development of new mobility concepts such as autonomous driving, which, for example, affects the demand for and technological requirements of electric buses, hybrid vehicles and the particularly powerful charging stations they require.

The market development is also driven by urbanisation and growing mobility, which are leading to an increasing demand for infrastructure for local and long-distance transport. A growing ecological awareness within society, the limited availability of fossil fuels, a switch to renewable energies and increased climate protection measures and carbon emission reduction efforts are favouring a shift in transportation from road to rail. The international division of labor and the above-average growth of emerging economies are also leading to a growing demand for transportation infrastructure. At the same time, requirements for safety, reliability and comfort in passenger transportation are increasing, for example with regard to modern boarding systems for rail and road vehicles.

Irrespective of these market trends, the markets on which Schaltbau Group is active are generally characterised by long-term investment decisions made by its (mostly directly or indirectly state-owned) customers or their end customers, which, in turn, are strongly influenced by the financial situation of cities and municipalities.

Since 31 December 2020 to the date of the Prospectus, there has been no significant change in the financial performance of the Group.

XV. GENERAL INFORMATION ABOUT THE COMPANY

1. Formation, incorporation, commercial name, registered office, LEI

The Company's legal name is "Schaltbau Holding AG" and it primarily operates under the commercial name "Schaltbau".

The Company is a stock corporation (*Aktiengesellschaft*) incorporated in Germany and governed by German law. Its registered seat is in Munich, Germany, and its business address is Hollerithstraße 5, 81829 Munich, Germany. The Company is registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich under number HRB 98668. Its Legal Entity Identifier (LEI) is 52990099LIMD4VYT3175.

The Company can be contacted at its business address Hollerithstraße 5, 81829 Munich, Germany, by telephone 49 89 93005-0, or via its website <https://schaltbaugroup.com>. Unless otherwise indicated, information contained on any website mentioned in the Prospectus, including the Company's website, is not incorporated by reference in the Prospectus and does not form part of the Prospectus.

2. Overview of regulatory disclosure

This section contains a summary of the information disclosed under Regulation (EU) No 596/2014 (Market Abuse Regulation, "**MAR**") over the last 12 months which is relevant as at the date of this Prospectus.

2.1 Ad-hoc announcements

By disclosure of inside information pursuant to Art. 17 MAR, on 1 March 2021, the Company informed that it concluded a pre-placement agreement with several of its shareholders in connection with the contemplated offer and issuance of the Bonds. For further information on the pre-placement agreement see "*XIV.3.1 Pre-Placement Agreement related to the Subscription Offer of the Bonds*".

By disclosure of inside information pursuant to Art. 17 MAR, on 17 August 2020, the Company informed that the former Executive Board member and chief financial officer (CFO), Thomas Dippold, would resign from the Executive Board with effect as of 1 September 2020. Furthermore, the Company informed that, with effect of 1 September 2020, Prof. Dr. Thorsten Grenz would serve as a member of the Executive Board and chief financial officer (CFO) on an interim basis in accordance with Section 105 (2) sentence 1 AktG.

By disclosure of inside information pursuant to Art. 17 MAR, on 4 March 2020, the Company informed that the Supervisory Board appointed Dr. Jürgen Brandes as an additional member of the Executive Board with effect from 1 April 2020 and that he would succeed Dr. Albrecht Köhler as chief executive officer (CEO) with effect from 1 January 2021.

2.2 Managers' Transactions

On 17 April 2020, the Company published a notification of transactions by persons discharging managerial responsibilities and persons closely associated with them ("**Managers' Transactions**") according to which the Executive Board member Dr. Jürgen Brandes acquired Shares in the Company via Tradegate Exchange on 3 April 2020. The Shares were acquired at an average price of approx. EUR 24.58 per Share. The total price for the Shares was EUR 4,424.00.

On 17 April 2020, the Company published a notification of Managers' Transactions according to which the Executive Board member Dr. Jürgen Brandes acquired Shares in the Company via Tradegate Exchange on 6 April 2020. The Shares were acquired at an average price of approx. EUR 24.57 per Share. The total price for the Shares was EUR 4,423.28.

On 17 April 2020, the Company published a notification of Managers' Transactions according to which the Executive Board member Dr. Jürgen Brandes acquired Shares in the Company via Tradegate Exchange on 15 April 2020. The Shares were acquired at an average price of approx. EUR 24.98 per Share. The total price for the Shares was EUR 8,991.60.

On 17 April 2020, the Company published a notification of Managers' Transactions according to which the Executive Board member Dr. Jürgen Brandes acquired Shares in the Company via Xetra on 16 April

2020. The Shares were acquired at an average price of approx. EUR 24.62 per Share. The total price for the Shares was EUR 8,864.58.

On 23 April 2020, the Company published a notification of Managers' Transactions according to which the Executive Board member Dr. Jürgen Brandes acquired Shares in the Company via Tradegate Exchange on 20 April 2020. The Shares were acquired at a price of EUR 24.60 per Share. The total price for the Shares was EUR 3,468.60.

On 23 April 2020, the Company published a notification of Managers' Transactions according to which the Executive Board member Dr. Jürgen Brandes acquired Shares in the Company via Tradegate Exchange on 21 April 2020. The Shares were acquired at an average price of approx. EUR 24.47 per Share. The total price for the Shares was EUR 5,359.90.

On 15 May 2020, the Company published a notification of Managers' Transactions according to which the Executive Board member Dr. Jürgen Brandes acquired Shares in the Company via Xetra on 14 May 2020. The Shares were acquired at a price of EUR 24.60 per Share. The total price for the Shares was EUR 4,551.00.

On 8 March 2021, the Company published a notification of Managers' Transactions according to which the Executive Board member Dr. Jürgen Brandes acquired Shares in the Company via Xetra on 5 March 2021. The Shares were acquired at a price of EUR 30,70 per Share. The total price for the Shares was EUR 46,050.00.

On 10 March 2021, the Company published a notification of Managers' Transactions according to which the Executive Board member Dr. Jürgen Brandes acquired Shares in the Company via Xetra on 8 March 2021. The Shares were acquired at a price of EUR 30,70 per Share. The total price for the Shares was EUR 16,867.70.

On 12 March 2021, the Company published a notification of Managers' Transactions according to which the Executive Board member Dr. Jürgen Brandes acquired Shares in the Company via Xetra on 11 March 2021. The Shares were acquired at a price of EUR 32.50 per Share. The total price for the Shares was EUR 19,882.47.

On 15 March 2021, the Company published a notification of Managers' Transactions according to which the Executive Board member Steffen Munz acquired Shares in the Company via Xetra on 12 March 2021. The Shares were acquired at a price of EUR 34.3902 per Share. The total price for the Shares was EUR 68,780.40.

XVI. SHARE CAPITAL AND SHAREHOLDER INFORMATION

1. Share capital

The Company's share capital amounts to EUR 10,799,671.80 divided into 8,852,190 ordinary registered shares with no par value (*auf den Namen lautende Stückaktien*) and a notional interest in the Company's share capital of EUR 1.22.

The Company holds 7,645 treasury shares (*eigene Aktien*) as of the date of this Prospectus.

2. Major shareholders

The following table shows the major direct and indirect shareholders who, to the knowledge of the Company, hold 3% or more of the voting rights in the Company as of the date of the Prospectus (the information set out below is based on the latest voting rights notifications submitted by the respective shareholders pursuant to Sections 33, 34 (formerly Sections 21, 22) of the German Securities Trading Act (*Wertpapierhandelsgesetz*, "**WpHG**") on the basis of the total number of voting rights pursuant to Section 41 (formerly Section 26a) WpHG applicable as at the time of the voting rights notification).

Direct shareholder(s)	Indirect shareholder(s)	Number of Shares	Voting rights interest in %
Luxempart S.A.	Luxunion S.A. Foyer Finance S.A. Luxempart S.A.	1,920,315 ¹	21.69 ¹
Hans-Jakob Zimmermann	Hans-Jakob Zimmermann	1,920,315 ¹	21.69 ¹
Johannes Zimmermann	Johannes Zimmermann	1,920,315 ¹	21.69 ¹
Elrena GmbH	Elrena GmbH	1,920,315 ¹	21.69 ¹
Axxion S.A. / Frankfurter Aktienfonds für Stiftungen	Axxion S.A.	593,403	8.98 ²
Active Ownership Fund SICAV-FIS SCS	Florian Schuhbauer Active Ownership Advisors GmbH Active Ownership Capital S.à r.l. Active Ownership Corporation S.à r.l.	644,133	7.28
Active Ownership Fund SICAV-FIS SCS	Klaus Röhrig Tamline Investments Ltd. Tamline Import & Advisory LP Active Ownership Investments Ltd. Active Ownership Capital S.à r.l. Active Ownership Corporation S.à r.l.	644,133	7.28
Midlin NV	Teslin Capital Management BV	458,977	5.18
Universal-Investment-Luxembourg S. A.	Universal-Investment-GmbH	339,719	5.14 ²
Gerlin NV		443,610	5.01
Kreissparkasse Biberach	Landkreis Biberach	433,757	4.90
PSG-Universal-Fonds	BayernInvest Kapitalverwaltungs- gesellschaft mbH	382,986	4.33
Monolith N.V.	Stichting Administratiekantoor Monolith	324,257	3.66
Hermes Linder Fund SICAV PLC	Massimo Malvestio Finpartes Ltd Veniero Investments Ltd Praude Asset Management Ltd	186,753	3.04 ³

¹ The shareholders Luxempart S.A., Elrena GmbH, Hans-Jakob Zimmermann and Johannes Zimmermann (together the "**Acting in Concert Parties**" and each an "**Acting in Concert Party**") are parties to an agreement to act in concert and, in particular, to jointly exercise voting rights from their Shares in the Company (the "**Acting in Concert Agreement**"). As a result of the Acting in Concert Agreement, pursuant to Section 34 (2) WpHG, the total of voting rights held by the Acting in Concert Parties are attributed to each Acting in Concert Party as well as, in case of Luxempart S.A., its controlling entities. On 20 October 2020, (i) Elrena GmbH notified to directly hold 272,475 Shares, which corresponds to 3.08% of the Company's

share capital, (ii) Hans-Jakob Zimmermann notified to directly hold 409,597 Shares, which corresponds to 4.63% of the Company's share capital, and (iii) Johannes Zimmermann notified to directly hold 52,246 Shares, which corresponds to 0.59% of the Company's share capital.

² This percentage refers to the total number of 6,609,770 Shares issued on the date of the respective voting rights notification.

³ This percentage refers to the total number of 6,152,190 Shares issued on the date of the voting rights notification.

All Shares confer the same voting rights.

To the knowledge of the Company, no shareholder, directly or indirectly through subsidiaries or third parties, owns more than 30% of the voting rights in the Company and is, therefore, considered to hold a controlling interest in the Company pursuant to the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*, "**WpÜG**").

XVII. GOVERNING BODIES

1. Overview

The Company's corporate bodies are the Executive Board (*Vorstand*), the Supervisory Board (*Aufsichtsrat*) and the General Shareholders' Meeting (*Hauptversammlung*). Their powers are determined by, among others, the AktG, the German Corporate Governance Code (*Deutscher Corporate Governance Kodex*), the Company's Articles of Association and the Supervisory Board's and the Executive Board's rules of procedure (*Geschäftsordnungen*).

The Company is managed by the Executive Board in accordance with the laws of the Federal Republic of Germany, the Articles of Association and the rules of procedure of the Executive Board. The Company is represented by the Executive Board in its dealings with third parties.

The Executive Board is responsible for implementing appropriate risk management and risk control systems within Schaltbau that allow for timely identification of any development that might pose a risk to the Company.

Pursuant to the Articles of Association, the Executive Board consists of two or more members. The Supervisory Board appoints the members of the Executive Board and determines their number. The members of the Executive Board are appointed for a maximum term of five years. Re-appointment or extension of the term for up to five years is possible. The Supervisory Board may revoke the appointment of a member of the Executive Board before expiration of the term of appointment for grave cause, e.g. a gross dereliction of duties, inability to properly manage the Company's affairs, or a vote of no confidence by the General Shareholders' Meeting with regard to the respective member of the Executive Board, unless the confidence has been withdrawn on grounds that are manifestly irrelevant. Moreover, Sections 31 (2) to (5) and 33 (1) of the German Codetermination Act (*Mitbestimmungsgesetz*) apply.

The formal legal relationship created by virtue of appointment of a Executive Board member is to be distinguished from the service contract between the Executive Board member and the Company. Entering into, amending and terminating service agreements with the members of the Executive Board lies also within the responsibility of the Supervisory Board. The service contract also has a maximum term of five years but may provide that it shall continue in force until the expiry of the term where the term of office is extended. Otherwise, the provisions of the German Civil Code (*Bürgerliches Gesetzbuch*, "**BGB**") on service relationships apply to a Executive Board member's service contract.

Pursuant to the Articles of Association, resolutions of the Executive Board are generally adopted by simple majority. The Company is generally legally represented by two members of the Executive Board or by one member of the Executive Board acting jointly with an authorised representative (*Prokurist*). The Supervisory Board may permit members of the Executive Board to enter into legal transactions with themselves as a representative of a third party on behalf of the Company (exemption from the prohibition pursuant to Section 181, second alternative of the BGB). As of the date of the Prospectus, the Supervisory Board has not granted this permission to any of the current members of the Executive Board.

Pursuant to German statutory law set forth in the AktG, the Supervisory Board advises and oversees the Executive Board but is not itself authorised to manage the Company. The Supervisory Board represents the Company vis-à-vis members of the Executive Board. Under German law, a member of the Supervisory Board may not concurrently be a member of the Executive Board of the same German stock corporation. In exceptional cases, however, the Supervisory Board may appoint individual of its members as substitutes for lacking members of the Executive Board of the same German stock corporation or for members of the Executive Board of the same German stock corporation who are prevented from serving as such for a maximum period of one year. During their term of office as substitutes for members of the Executive Board, they may not pursue any activities as a member of the Supervisory Board.

In order to enable the Supervisory Board to oversee the management of the Company properly, the Executive Board is obliged to report regularly to the Supervisory Board, at least on a quarterly basis, on the Company's course of business, in particular the sales of the Company, and its economic situation. Furthermore, the Executive Board reports to the Supervisory Board at least once a year on the business policy it intends to pursue and other fundamental matters of corporate planning, in particular financial, investment and personnel planning. Moreover, at the meeting of the Supervisory Board at which the annual accounts are deliberated, the Executive Board reports to the Supervisory Board on the profitability of the Company. The Executive Board is also required to report to the Supervisory Board in

a timely manner on any transactions that may have a significant impact on the profitability or liquidity of the Company. Furthermore, the Executive Board must report important business matters which could have a material effect on the Company due to their financial structure and/or their importance to the general business strategy, such as a business process ongoing at an affiliated enterprise of which the Executive Board has become aware and which is suited to significantly influence the economic situation of the Company, to the chairman of the Supervisory Board. The Supervisory Board is entitled to request a report from the Executive Board at any time on matters concerning the Company, its legal and business relationships with affiliated companies and on business transactions at these companies that could have a significant influence on the situation of the Company.

In accordance with applicable German law, the Supervisory Board has determined, in the rules of procedure of the Executive Board, certain measures/types of business transactions that require its consent. The Supervisory Board is at all times authorised to extend or restrict the scope of transactions and measures requiring approval.

In accordance with the AktG and the German Act on One-Third Employee Representation in the Supervisory Board (*Drittelbeteiligungsgesetz*, "**DrittelbG**"), the Company's Supervisory Board is composed of members representing the shareholders and the employees. According to the Company's Articles of Association, the Supervisory Board consists of six members. Four members are elected by the shareholders in accordance with the AktG and two members are elected by the employees in accordance with the DrittelbG. The members of the Supervisory Board representing the shareholders are elected by the General Shareholders' Meeting with a simple majority of votes cast.

At the time of new elections to the Supervisory Board, the General Shareholders' Meeting may also elect a substitute member to replace a Supervisory Board member elected by the shareholders for the remaining term of office who resigns during the term of office, or may elect several substitute members and determine the order in which they join the Supervisory Board, or may appoint substitute members for certain Supervisory Board members. If a substitute member steps in to replace a departing member of the Supervisory Board, the term of office of such substitute member expires no later than upon expiration of the departing Supervisory Board member's term of office.

The members of the Supervisory Board representing the shareholders are generally elected for the period until the conclusion of the General Shareholders' Meeting that is to adopt a resolution regarding the approval of the actions and the discharge of the Supervisory Board members for the fourth financial year following commencement of their term of office. In this respect, the financial year in which the term of office begins shall not be counted. Re-appointments are permissible. Following the General Shareholders' Meeting at which the Supervisory Board members to be elected by the General Shareholders' Meeting have been elected, a meeting of the Supervisory Board shall be held without any special invitation. At such meeting, which shall be chaired by the oldest Supervisory Board member, the Supervisory Board elects the chairman and the deputy chairman of the Supervisory Board from among its members for the duration of its term of office. If the chairman of the Supervisory Board or his deputy resigns during his term of office, the Supervisory Board must immediately elect a replacement. Currently, Dr. Hans Fechner serves as chairman of the Supervisory Board and Prof. Dr. Thorsten Grenz serves as deputy chairman of the Supervisory Board.

Supervisory Board member elected by the shareholders may, in principle, be removed from office prior to expiry of their term of office by a resolution of the General Shareholders' Meeting, which must be passed with a majority comprising at least three quarters of the votes cast. Supervisory Board members may resign from office without notice by submitting a written declaration to the Executive Board.

The Supervisory Board has a quorum if at least four members participate in the resolution. A member also participates in the resolution if he/she abstains from voting. A resolution on an item on the agenda that was not included in the invitation is only permissible if no member of the Supervisory Board who is present objects to the resolution and at least two thirds of the members are present. In such a case, absent members of the Supervisory Board it to be given the opportunity to object to the resolution or to cast their vote in writing within a reasonable period to be determined by the chairman. The resolution shall only take effect if none of the absent members of the Supervisory Board objects within the period set by the chairman. Resolutions of the Supervisory Board are passed by a simple majority of votes. In the event of a tied vote, the chairman's vote is decisive. In accordance with the law, the Supervisory Board meets at least twice per calendar half-year. Its statutory functions are, in particular, to oversee the management of the Company, to appoint the members of the Company's Executive Board; to approve those transactions that require its approval by law and those that the Supervisory Board has made subject to its approval in general or in individual cases.

The members of the Executive Board and the Supervisory Board are each alone responsible for their own tasks. They must perform their duties with the care of a prudent and diligent manager or member of the Supervisory Board and are under a duty of care and a duty of loyalty towards the Company. When making decisions, members of the Executive Board and Supervisory Board must consider a number of interests, including those of the Company and its shareholders, employees and creditors. The Executive Board must also take into consideration shareholders' rights to equal treatment and equal access to information. Members of the Executive Board or the Supervisory Board breaching these duties are jointly and severally liable to the Company for any damages incurred by the Company.

Individual shareholders are generally not able to file claims against members of the Executive Board or Supervisory Board on the basis that board members have neglected their duties towards the Company. Claims of the Company against members of the Executive Board or the Supervisory Board may, as a rule, only be asserted by the Company itself, in which case the Company is represented by the Executive Board when claims are made against members of the Supervisory Board and the Supervisory Board when claims are made against members of the Executive Board. According to a ruling by the German Federal Court of Justice (*Bundesgerichtshof*), the Supervisory Board is obliged to bring claims against the Executive Board that are likely to be successful, unless important Company interests would conflict with pursuing claims and such interests outweigh, or are at least comparable to, the grounds in favour of asserting claims.

Furthermore, claims of the Company must be asserted against members of the Executive Board or the Supervisory Board if the General Shareholders' Meeting so resolves by simple majority. The claim should be asserted within six months of the date of the General Shareholders' Meeting. The General Shareholders' Meeting can appoint a special representative (*Sonderprüfer*) to assert such claims. Shareholders whose aggregate holdings amount to at least 10% or EUR 1 million of the Company's share capital may apply to the competent court to appoint a special representative for purposes of asserting the claims for damages.

In addition, shareholders whose aggregate holdings amount to at least 1% or EUR 100,000 of the Company's share capital may file a petition for admission of a lawsuit to assert the Company's claims against members of the Executive Board or Supervisory Board in their own name. The petition must be filed with the regional court at the Company's registered office. Prerequisites for the admission of a lawsuit are, among others, that the shareholders have unsuccessfully requested the Company to file a lawsuit in its own name and that there are facts supporting the suspicion that the Company has suffered damage by dishonest conduct or gross violations of the law or the Articles of Association. The lawsuit can only be filed within three months after the application has become final and absolute and provided that the shareholders have again unsuccessfully requested the Company to file a lawsuit itself, setting a reasonable deadline. Shareholders other than the shareholders filing the petition are not authorised to bring an action. The Company has the right to assert its claim for compensation itself at any time. If it files a lawsuit on its part, any pending petition for admission or lawsuit by shareholders regarding this claim would be dismissed.

Generally, the Company may waive its claims to compensation, or conclude a settlement regarding these claims, against members of the Executive Board or Supervisory Board only after three years from the arising of the claim, and only in those cases in which the General Shareholders' Meeting approves this being done and no minority, the aggregate of whose shares is at least equivalent to 10% of the share capital, raises an objection and has it recorded in the minutes.

Under German law, anyone who intentionally compels, by exploiting his/her influence on the Company, a member of the Executive Board or of the Supervisory Board, authorised representatives (*Prokuristen*) or other persons holding a commercial power of attorney (*Handlungsbevollmächtigte*) to act to the detriment of the Company or its shareholders is obliged to compensate the Company and its shareholders for any resulting damage. In addition to that person, the members of the Executive Board and the Supervisory Board may be jointly and severally liable if they have acted in dereliction of their duties.

2. Members of the Executive Board

Currently, the Company's Executive Board consists of three members, Dr. Jürgen Brandes (chief executive officer (CEO)), Steffen Munz (chief financial officer (CFO)) and Volker Kregelin.

The members of the Executive Board and their current areas of responsibility, as well as their current appointments and functions as members of an administrative, management or supervisory body or partner outside the Company and its subsidiaries, and their mandates and functions as members of an

administrative, management or supervisory body or partner outside the Company and its subsidiaries at any time in the previous five years, are listed in the following overview:

<i>Name</i>	<i>Responsibilities</i>	<i>Other appointments</i>
Dr. Jürgen Brandes (chairman and chief executive officer (CEO))	Strategy / Corporate development Human resources Public relations Bode Group Schaltbau GmbH Group SBRS segment	Advisory board member of Smart battery solutions GmbH Chairman of the supervisory board of Flender GmbH Industrial Senior Adviser at Bain & Comp. Chief executive officer (CEO) Process Industries & Drives at Siemens AG (until 31 March 2019) Chairman of the supervisory board of Flender GmbH (until 1 July 2019)
Steffen Munz (chief financial officer (CFO))	Investor relations Finance and accounting Controlling IT Compliance / Risk management Treasury Legal affairs Internal audit Commercial director / Management of lead companies (reporting line to CFO)	Chief financial officer (CFO) at VARTA AG (until 31 December 2020) Managing director at VARTA Microbattery GmbH (until 31 December 2020) Managing director at VARTA Storage GmbH (until 31 December 2020) Managing director at VARTA Micro Production GmbH (until 31 December 2020) Managing director at VARTA Consumer Europe GmbH (until 31 December 2020) Managing director at VARTA Consumer Kommandit GmbH (until 31 December 2020) Managing director at VARTA Consumer Komplementär GmbH (until 31 December 2020) Managing director at Gardner Denver Thomas GmbH (until 31 January 2018) Managing director at Zinsser Analytik GmbH (until 31 January 2018) Managing director at ILS GmbH (until 31 January 2018)
Volker Kregelin	Sales responsibility rail (rolling stock and infrastructure) and road Bode segment Digitisation commissioner Schaltbau Group Pintsch Group	–

As of the date of the Prospectus, no principal activities are performed by members of the Executive Board outside of the Company that are significant with respect to the Company.

Each member of the Executive Board can be contacted at the Company' business address (Hollerithstraße 5, 81829 Munich, Germany).

3. Members of the Supervisory Board

Currently, the Company's Supervisory Board consists of six members. The members of the Supervisory Board and their current appointments and functions as members of an administrative, management or supervisory body or partner outside the Company and its subsidiaries, and their mandates and functions as members of an administrative, management or supervisory body or partner outside the Company and its subsidiaries at any time in the previous five years are listed in the following overview:

<i>Name</i>	<i>Other appointments</i>
Dr. Hans Fechner (chairman)	Chairman of the advisory board of AUMA Riester GmbH & Co. KG Member of the regional advisory board of Deutsche Bank (Düsseldorf) Advisory board member of Granulat GmbH Administration board member of RWTÜV e.V. (until 2020) Spokesman of the management of G. Siempelkamp GmbH & Co. KG (until 31 December 2018)
Prof. Dr. Thorsten Grenz (deputy chairman)	Managing director of KIMBRIA Gesellschaft für Beteiligung und Beratung mbH Supervisory board member of Dräger Safety Verwaltungs AG Supervisory board member of Drägerwerk AG & Co. KGaA Supervisory board member of Dräger Safety AG & Co. KGaA Supervisory board member of Drägerwerk Verwaltungs AG Supervisory board member of Credion AG Advisory board member of Gpredictive GmbH (until December 2020) Supervisory board member of Fyber NV (until May 2017) Honorary professor for business administration at Christian-Albrechts-University Kiel
Andreas Knitter	Supervisory board member of Dellner Couplers AB Supervisory board member of Schréder Advisory board member of Keolis Deutschland GmbH & Co. KG Advisory board member of The Signalling Company Advisory board member of OpenCapacity Ltd. Advisory board member of Gokind AB Supervisory board member of Beacon Rail Lux Holdings S.à r.l. (until September 2020) Administrative board member of TMH International AG (until January 2020) Supervisory board member of various subsidiaries of Alstom SA (until June 2017)
Jeannine Pilloud	Chief executive officer (CEO) of Ascom Holding AG Administrative board member of Salt Mobile AG Administrative board member of Fehr Advice & Partners AG Administrative board member of Innovation Process Technology AG (until January 2020)
Achim Stey (elected by the employees)	–
Herbert Treutinger (elected by the employees)	–

Apart from the current activities indicated in the table above under “Other appointments”, no principal activities are performed by the members of the Supervisory Board outside of the Company that are significant with respect to the Company.

Each member of the Supervisory Board can be contacted at the Company’ business address (Hollerithstraße 5, 81829 Munich, Germany).

4. Certain information regarding the members of the Executive Board and Supervisory Board

In the last five years, no member of the Executive Board or Supervisory Board has been convicted in relation to fraudulent offences.

In the last five years, no member of the Executive Board or Supervisory Board has been associated with any bankruptcy, receivership, liquidation or company put under administration acting in its capacity as a member of any administrative, management or supervisory body or as a senior manager.

In the last five years, no official public incriminations have been made or sanctions imposed by statutory or regulatory authorities (including designated professional bodies) against the members of the Executive Board or Supervisory Board.

No court has ever disqualified any of the members of the Executive Board or Supervisory Board from acting as a member of the administrative, management, or supervisory body of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years. The following table provides an overview of the Shares held by the members of the Executive Board and the Supervisory Board as of the date of the Prospectus:

<i>Member of the Executive Board or Supervisory Board</i>	<i>Number of Shares held</i>
Dr. Jürgen Brandes	4,285
Steffen Munz.....	2,000
Achim Stey.....	64
Herbert Treutinger	360 ¹

¹ Shares held by a relative.

As a result of their shareholdings in the Company or the shareholdings in the Company of parties related to them, the above-mentioned Executive Board and Supervisory Board members or their respective related parties have private financial and economic interests related to the development of the market price of their Shares, which may, from time to time, diverge from the interests of the Company (including, inter alia, strategical long term interests) and, thus, may constitute a potential conflict of interest.

No member of the Executive Board or the Supervisory Board was appointed to his/her office on the basis of an arrangement or understanding with the Company’s major shareholders, customers, suppliers or others.

No member of the Executive Board or the Supervisory Board has agreed to any restrictions on the disposal of their shareholdings in the Company’s securities.

Apart from the Executive Board members’ and Supervisory Board members’ shareholdings and relationships with shareholders and contracting parties set out above, there are no actual or potential conflicts of interest between the duties carried out on behalf of the Company by the members of the Executive Board and the Supervisory Board and their private interests or other duties.

There are no family relationships between the members of the Board of Executive or the Supervisory Board.

XVIII. RELATED PARTY TRANSACTIONS

In accordance with IAS 24, transactions with persons or companies which are, inter alia, members of the same group as the Company or which are in control of or controlled by the Company must be disclosed, unless they are already included as consolidated companies in the Company's audited financial statements. Control exists if a shareholder owns more than one half of the voting rights in the Company or, by virtue of an agreement, has the power to control the financial and operating policies of the Company's management. The disclosure requirements under IAS 24 also extend to transactions with associated companies (including joint ventures) as well as transactions with persons or companies who have significant influence over the Company, including close family members and intermediate entities. This includes the members of the Executive Board and Supervisory Board and close members of their families, as well as those entities over which the members of the Executive Board and Supervisory Board or their close family members are able to exercise a significant influence. A significant influence is assumed if more than 20% of the voting rights are held directly or indirectly.

Set forth below is a summary of transactions which the Company has entered into with related parties since 31 December 2020 until the date of the Prospectus:

In 2020, the Supervisory Board engaged external consultants to assist it with the performance of its duties. The support services are provided, among others, by Treuhand- und Revisions-Aktiengesellschaft Niederrhein Wirtschaftsprüfungsgesellschaft (Treuhand Niederrhein), based in Krefeld, Germany. The former Supervisory Board member Dr. Günther Pferdmeiges, whose Supervisory Board mandate ended at the end of 28 February 2021, is a member of the board of directors of Treuhand Niederrhein. The fees for the services provided by Treuhand Niederrhein in the period from 1 January 2021 to 28 February 2021 amount to EUR 53,700.

Moreover, the Company has entered into an agreement with Steffen Munz for the period from 8 January 2021 to 28 February 2021. The object of this agreement was to provide support in commercial matters. The agreement was concluded and its term ended before the term of Mr. Munz' mandate as member of the Executive Board of the Company began on 1 March 2021. The fees for the services provided by Mr. Munz in the period from 8 January 2021 to 28 February 2021 amount to EUR 18,200.

XIX. RECENT DEVELOPMENTS AND OUTLOOK

1. Recent developments

1.1 Changes in the Executive Board and in the Supervisory Board

As from 1 January 2021, the Executive Board member Dr. Brandes succeeded Dr. Albrecht Köhler as chief executive officer (CEO) of the Company, whose appointment as member of the Executive Board of the Company ended on 31 December 2020.

On 6 November 2020, the Supervisory Board appointed Steffen Munz as member of the Executive Board and chief financial officer (CFO) of the Company with effect from 1 March 2021 for a term of three years. Mr. Munz succeeded Prof. Dr. Thorsten Grenz, who served on the Executive Board as chief financial officer (CFO) of the Company on an interim basis in accordance with Section 105 (2) sentence 1 AktG since 1 September 2020 as successor of Thomas Dippold and who resumed his inactive Supervisory Board mandate, which had been suspended during this service as Executive Board member and chief financial officer (CFO), with effect from 1 March 2021. With the return of Prof. Dr. Grenz to the Supervisory Board, the Supervisory Board mandate of Dr. Günter Pferdmeiges, who had been appointed as a member of the Supervisory Board by court pursuant to Section 104 (2) sentence 2 AktG, ended.

1.2 Construction of new production site in Velden

In November 2020, Schaltbau GmbH kicked off the construction of a new production site in Velden, Germany (so-called “NExT Factory”). With this new plant, Schaltbau is aiming at creating a modern facility with a locally CO₂-free energy concept for developing and manufacturing electromechanical components such as contactors, connectors and switches for a wide range of DC applications in the industry, the rail sector and the markets of New Energy and New Mobility, enabling Schaltbau to enter into and further grow in new market segments and realise efficiency increases. The new plant is a key element for Schaltbau Group’s targeted further growth in the markets of New Energy, New Industry and New Mobility, which strongly rely on the use of DC applications. The production at the new site is intended to be compatible with the IATF 16949 standard, which defines the requirements of quality management systems, particularly in the automotive industry. Schaltbau is aiming at creating synergy effects at the NExT Factory by making use of the existing structures of and merging the administration with the existing site in Velden and the headquarters in Munich. The completion of the new plant with the first stage of production capacity is currently scheduled for autumn 2022. For this new production site, Schaltbau’s management targets an incremental revenue of EUR 140 million to EUR 160 million by 2026 compared to the financial year 2020 at attractive EBIT margins and a pay-back time of six to seven years.

2. Outlook

2.1 Profit forecast

The Company’s management targets a Group revenue in the range of EUR 520 million to EUR 540 million for the financial year 2021 and, on this basis, an EBIT margin of approx. 5%. For further details, see “XII. Profit Forecast”.

2.2 Mid-term strategic directions and targets

In the mid-term, the Company’s management intends to focus strategically on (i) sustainable performance improvement (measured in particular by the performance indicators EBIT margin and return on capital employed (“**ROCE**”, defined as EBIT divided by capital employed), with ROCE becoming the key performance indicator for mid-term development) rather than pure revenue growth, (ii) profitable organic growth in the Group’s core business (rail infrastructure and rolling stock/bus), complemented by selective tuck-in acquisitions to improve the cost position and complete the product portfolio, (iii) growing the aftermarket business, utilising the installed base in after-sales and growth in modernisations/refurbishments, and (iv) the development of new DC components and applications for New Energy, New Industry and New Mobility and the entry into new markets with strong growth on the back of the new production site in Velden, Germany.

In the mid-term, the Company's management targets an organic revenue growth rate well above the market growth rate and, by driving growth particularly in high-margin business, a significant improvement of profitability, with a targeted Group revenue of approx. EUR 600 million to EUR 650 million by 2023 and EUR 750 million to EUR 800 million by 2026 (with the rail sector accounting for approx. 60% and the DC application sector accounting for approx. 40% of the total revenue in 2026) and a targeted high-single digit EBIT margin by 2026.