



**The Social Chain AG**

Berlin

WKN: A1YC99  
ISIN: DE000A1YC996

We invite all shareholders  
**to attend the ordinary (virtual) Annual General Meeting**

on

**Wednesday, 8 June 2022, at 13:00 (CEST).**

It will be held as a virtual general meeting without the physical presence of shareholders or their proxies (except for the proxies appointed by the Company).

The Annual General Meeting will be streamed live as an audiovisual broadcast to shareholders who are entered in the share register of the Company on the date of the Annual General Meeting and who have duly registered for the Annual General Meeting or have registered their proxies. The live stream can be accessed at the following address <https://socialchain.com/en/investor-relations/annual-general-meeting> in the Company's password-protected internet service for the Annual General Meeting. The broadcast does not constitute permission to participate in the Annual General Meeting within the meaning of Section 118 (1) sentence 2 AktG. Shareholders or their proxies may exercise their voting rights exclusively by means of electronic communication ("absentee ballot") or by granting power of attorney to the proxies appointed by the Company.

The venue of the Annual General Meeting according to the German Stock Corporation Act is the premises of the DBB Forum Berlin, Better Now Studio Berlin Mitte (Atrium), Friedrichstraße 169, 10117 Berlin. The shareholders and their proxies (except for the proxies appointed by the Company) are not entitled to attend the meeting in person.

Minimum information pursuant to section 125 para. 2 German Stock Corporation Act (AktG) in connection with section 125 para. 5 AktG, article 4 para. 1 and table 3 of the annex to Implementing Regulation (EU) 2018/1212

Type of Information	Description
<b>A. Specification of the message</b>	
1. Unique identifier of the event	PU11062022HV
2. Type of message	Meeting notice of a general meeting [format pursuant to Implementing Regulation (EU) 2018/1212: NEWM]
<b>B. Specification of the issuer</b>	
1. ISIN	DE000A1YC996
2. Name of issuer	The Social Chain AG
<b>C. Specification of the meeting</b>	
1. Date of the general meeting	08.06.2022 [format pursuant to Implementing Regulation (EU) 2018/1212: 20220608]
2. Time of the general meeting	13:00 hours (CEST) [format pursuant to Implementing Regulation (EU) 2018/1212: 11:00 UTC]
3. Type of the general meeting	Ordinary general meeting as virtual general meeting without physical presence of the shareholders and their proxies [format pursuant to Implementing Regulation (EU) 2018/1212: GMET]
4. Location of the general meeting	Virtual general meeting: <a href="https://socialchain.com/en/investor-relations/annual-general-meeting">https://socialchain.com/en/investor-relations/annual-general-meeting</a>  Location of the general meeting as defined by the Stock Corporation Act: DBB Forum Berlin, Better Now Studio Berlin Mitte (Atrium), Friedrichstraße 169, 10117 Berlin, Germany
5. Record Date	01.06.2022, after the last transcription [format pursuant to Implementing Regulation (EU) 2018/1212: 20220601]
6. Uniform Resource Locator (URL)	<a href="https://socialchain.com/en/investor-relations/annual-general-meeting">https://socialchain.com/en/investor-relations/annual-general-meeting</a>

I.  
Agenda

1. **Presentation of the approved Annual Financial Statements as per 31 December 2021 and the Management Report for the 2021 financial year, the approved Consolidated Financial Statements as per 31 December 2021 and the Consolidated Management Report for the 2021 financial year, as well as the Report of the Supervisory Board for the 2021 financial year.**

These documents also contain the disclosures pursuant to Sections 289a, 315a German Commercial Code (HGB) as well as the Explanatory Report of the Management Board in this regard. They are available on the internet from the time the Annual General Meeting is convened and also during the proceedings at:

<https://socialchain.com/en/investor-relations/annual-general-meeting>

They will be explained in more detail during the Annual General Meeting as well.

The Supervisory Board approved the Annual Financial Statements prepared by the Management Board in accordance with the German Commercial Code (HGB) and the Consolidated Financial Statements prepared in accordance with IFRS on 27<sup>th</sup> April 2022, respectively. The Annual Financial Statements have therefore been approved pursuant to Section 172 sentence 1 AktG. No resolution of the Annual General Meeting is required for this agenda item under German law.

2. **Resolution on formal discharge of liability for members of the Management Board in the 2021 financial year**

The Management Board and the Supervisory Board propose that the Management Board members who held office in the 2021 financial year be formally discharged of liability for the 2021 financial year.

3. **Resolution on formal discharge of liability for members of the Supervisory Board in the 2021 financial year**

The Management Board and the Supervisory Board propose that all Supervisory Board members who held office in the 2021 financial be formally discharged of liability for the 2021 financial year.

4. **Resolution on the appointment of the auditor and group auditor for the 2022 financial year**

The Supervisory Board proposes – based on the recommendation of its Audit Committee – to appoint RSM GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, domiciled in Düsseldorf, as auditor of the annual financial statements and auditor of the consolidated financial statements for the 2022 financial year as well as auditor for a possible audit review of the half-yearly financial report and additional interim financial information for the 2022 financial year.

The Audit Committee has declared that its recommendation is free from undue influence by third parties and that it has not been imposed with any clause limiting the elective options within the meaning of Art. 16 (6) EU Statutory Audit Directive.

5. **Resolution on an amendment of the Articles of Association regarding the Company's exemption from the provisions of Section 43 (1) German Securities Trading Act (WpHG)**

Pursuant to Section 43 (1) sentence 1 WpHG, a notifying party within the meaning of Sections 33 et seq. WpHG, who reaches or exceeds the threshold of 10% of the voting rights attached to shares or a higher threshold, must, within 20 trading days after reaching or exceeding these thresholds, notify the issuer whose home country is the Federal Republic of Germany of the goals pursued by purchasing the voting rights and the origin of the funds used for this purchase. A change in goals within the meaning of Section 43 (1) sentence 1 WpHG must be notified within 20 trading days (Section 43 (1) sentence 2 WpHG).

The issuer shall publish the received information or the fact that the notification obligation pursuant to Section 43 (1) WpHG was not fulfilled and communicate that information to the Company Register for saving (Section 43 (2) WpHG).

The articles of association of an issuer whose registered office is in Germany may stipulate that Section 43 (1) WpHG does not apply (Section 43 (3) WpHG).

The Management Board and Supervisory Board propose that the following amendments to the Articles of Association be adopted:

Article 19 of the Company's Articles of Association shall have the following new heading:

*"Article 19 Publications, Exemption from Notification Requirements for Holders of Significant Shareholdings and Formation Expenses"*

Article 19 (2) will be added to the Company's Articles of Association as a new subsection:

*"(2) Section 43 (1) German Securities Trading Act (WpHG) does not apply."*

The previous Section 19 (2) will become Article 19 (3) of the Articles of Association.

6. **Resolution on the cancellation of the Authorised Capital 2020/I as well as the Authorised Capital 2021/I, the creation of new Authorised Capital 2022/II with the possibility to exclude the statutory subscription right as well as on the corresponding amendment to the Articles of Association**

At the time this invitation was published, Authorised Capital (with addition of the current Authorised Capital 2020/I amounting to EUR 608,058.00 (Article 3 (6) Articles of Association) and current Authorised Capital 2021/I amounting to EUR 1,111,097.00 (Article 3 (11) Articles of Association) was available to the Company in the amount of EUR 1,719,155.00. This is equivalent to 11.07% of the current Share Capital.

In order to ensure that we can operate as flexibly as possible going forward, the current Authorised Capitals 2020/I and 2021/I will be cancelled in their entirety and a new

Authorised Capital 2022/I will be created in the amount of the legally permissible maximum volume of 50% of the current Share Capital in the amount of EUR 15,527,775.00, and hence in the amount of EUR 7,763,887.00. The purpose is to enable the Management Board to increase the Share Capital in an appropriate amount at short notice, without requiring a further resolution by the Annual General Meeting.

In this regard, cancellation of the Authorised Capitals 2020/I and 2021/I shall only become effective if the new Authorised Capital 2022/I is effectively entered in the Commercial Register.

The Management Board and Supervisory Board therefore present the following proposals for resolution:

a) **Cancellation of the Authorised Capital 2020/I**

The authorisation granted by the extraordinary General Meeting of 11 May 2020 and limited until 10 May 2025 to increase the Share Capital pursuant to Article 3 (6) of the Company's Articles of Association (in the version amended by the ordinary General Meeting of 11 December 2020) will be cancelled in full when the new Authorised Capital 2022/I becomes effective.

b) **Cancellation of the Authorised Capital 2021/I**

The authorisation granted by the ordinary General Meeting of 30 July 2021 and limited until 14 July 2026 to increase the Share Capital pursuant to Article 3 (11) of the Company's Articles of Association will be cancelled in full when the new Authorised Capital 2022/I becomes effective.

c) **Creation of new Authorised Capital 2022/I**

The Management Board is authorised until 7 June 2027, with the consent of the Supervisory Board, to increase the Share Capital by up to 7,763,887 new registered ordinary shares (no-par value shares) in total, against cash contributions and/or contributions in kind. This is equivalent to up to EUR 7,763,887.00 in total (Authorised Capital 2022/I). This authorisation may be used in instalments.

Shareholders shall be granted a subscription right to the new shares as a rule. The new shares may also be handled by one or more banking institution(s) or one or more companies operating pursuant to Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) German Banking Act (financial institution) or a syndicate of these banking or financial institutions with the obligation to offer them to the shareholders for subscription (indirect subscription right). The Management Board is authorised, however, with the consent of the Supervisory Board, to cancel the shareholders' subscription right for one or more capital increase(s) within the framework of the Authorised Capital 2022/I,

aa) inasmuch as is necessary to exclude any fractional amounts from the subscription right;

bb) inasmuch as is necessary to protect against dilution such that the holders of conversion or option rights that have been or will be issued by the Company or by companies in which the Company directly or indirectly holds a majority interest, may be granted subscription rights to new shares in the amount to which they would be entitled after exercising the conversion or option rights or after fulfilling conversion obligations;

cc) in the event of a capital increase against contributions in kind, in particular within the scope of mergers or for the (also indirect) acquisition of companies, businesses, parts of companies, interests or other assets such as receivables, including receivables against the Company or its group companies;

dd) if, in the event of a capital increase against cash contributions, the issue price of the new shares is not significantly lower than the stock exchange price of listed shares and the proportionate amount of the Share Capital attributable to the shares issued against cash contributions under exclusion of the subscription right pursuant to or in analogous application of Section 186 (3) sentence 4 AktG does not exceed 10% of the total Share Capital during the term of this authorisation, neither at the time this authorisation becomes effective nor at the time it is exercised whereby the stock exchange price shall be equivalent to the price of an American Depository Share ("ADS") listed on the New York Stock Exchange or on the NASDAQ Stock Exchange multiplied by the number of ADS representing one share. It shall be at the discretion of the Company to select which stock exchange price shall be authoritative if the Company's share is listed on the Regulated Market of the Frankfurt Stock Exchange and, at the same time, ADS of the Company are listed on the New York Stock Exchange or on the NASDAQ Stock Exchange. The described limit of 10% of the Share Capital shall be offset against those shares (i) which are or will be issued to service bonds with conversion or option rights, insofar and inasmuch as the bonds are issued during the term of this authorisation in analogous application of Section 186 (3) sentence 4 AktG, and (ii) which are sold during the term of the Authorised Capital 2022/I on the basis of an authorisation to sell treasury shares pursuant to Sections 71 (1) no. 8 sentence 5, 186 (3) sentence 4 AktG, excluding the subscription right; or

ee) for the purpose of listing the shares of the Company on a foreign stock exchange, if applicable in the form of ADS, and in this connection also for the purpose of creating the shares, if applicable in the form of ADS, which are to be used for settlement or in connection with an over-allotment option.

The Management Board is authorised, with the consent of the Supervisory Board, to determine all other details of the capital increase and the terms of the share issue; included in this is the determination of a dividend entitlement for the new shares, which, notwithstanding Section 60 (2) AktG, may be determined for a past financial year as well. The Supervisory Board is authorised, proportionate to the respective utilisation of the Authorised Capital and after the expiry of the authorisation period, to amend the Articles of Association following complete or partial implementation of the Share Capital increase.

d) **Amendment of the Articles of Association**

The Company's Articles of Association shall include the following, completely new wording of Article 3 (6):

“(6) *The Management Board is authorised until 7 June 2027, with the consent of the Supervisory Board, to increase the Share Capital by up to 7,763,887 new registered ordinary shares (no-par value shares) in total, against cash contributions and/or contributions in kind. This is equivalent to up to EUR 7,763,887.00 in total (Authorised Capital 2022/I).*

*This authorisation may be used in instalments.*

*Shareholders shall be granted a subscription right to the new shares as a rule. The new shares may also be handled by one or more banking institution(s) or one or more companies operating pursuant to Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) German Banking Act (financial institution) or a syndicate of these banking or financial institutions with the obligation to offer them to the shareholders for subscription (indirect subscription right).*

*The Management Board is authorised, however, with the consent of the Supervisory Board, to cancel the shareholders' subscription right for one or more capital increase(s) within the framework of the Authorised Capital 2022/I,*

aa) *inasmuch as is necessary to exclude any fractional amounts from the subscription right;*

bb) *inasmuch as is necessary to protect against dilution such that the holders of conversion or option rights that have been or will be issued by the Company or by companies in which the Company directly or indirectly holds a majority interest, may be granted subscription rights to new shares in the amount to which they would be entitled after exercising the conversion or option rights or after fulfilling conversion obligations;*

cc) *in the event of a capital increase against contributions in kind, in particular within the scope of mergers or for the (also indirect) acquisition of companies, businesses, parts of companies, interests or other assets such as receivables, including receivables against the Company or its group companies;*

dd) *if, in the event of a capital increase against cash contributions, the issue price of the new shares is not significantly lower than the stock exchange price of listed shares and the proportionate amount of the Share Capital attributable to the shares issued against cash contributions under exclusion of the subscription right pursuant to or in analogous application of Section 186 (3) sentence*

*4 AktG does not exceed 10% of the total Share Capital during the term of this authorisation, neither at the time this authorisation becomes effective nor at the time it is exercised, whereby the stock exchange price shall be equivalent to the price of an American Depository Share (“ADS”) listed on the New York Stock Exchange or on the NASDAQ Stock Exchange multiplied by the number of ADS representing one share. It shall be at the discretion of the Company to select which stock exchange price shall be authoritative if the Company's share is listed on the Regulated Market of the Frankfurt Stock Exchange and, at the same time, ADS of the Company are listed on the New York Stock Exchange or on the NASDAQ Stock Exchange. The described limit of 10% of the Share Capital shall be offset against those shares (i) which are or will be issued to service bonds with conversion or option rights, insofar and inasmuch as the bonds are issued during the term of this authorisation in analogous application of Section 186 (3) sentence 4 AktG, and (ii) which are sold during the term of the Authorised Capital 2022/I on the basis of an authorisation to sell treasury shares pursuant to Sections 71 (1) no. 8 sentence 5, 186 (3) sentence 4 AktG, excluding the subscription right; or*

ee) *for the purpose of listing the shares of the Company on a foreign stock exchange, if applicable in the form of ADS, and in this connection also for the purpose of creating the shares, if applicable in the form of ADS, which are to be used for settlement or in connection with an over-allotment option.*

*The Management Board is authorised, with the consent of the Supervisory Board, to determine all other details of the capital increase and the terms of the share issue; included in this is the determination of a dividend entitlement for the new shares, which, notwithstanding Section 60 (2) AktG, may be determined for a past financial year as well. The Supervisory Board is authorised, proportionate to the respective utilisation of the Authorised Capital and after the expiry of the authorisation period, to amend the Articles of Association following complete or partial implementation of the Share Capital increase.*

Article 3 (11) of the Company's Articles of Association will be deleted without replacement. Article 3 (12) of the Articles of Association will merely be amended to reflect the paragraph numbers and the new Article 3 (11) of the Company's Articles of Association.

e) **Instruction to the Management Board**

The Management Board is instructed to apply for entry in the Commercial Register that cancellation of the Authorised Capitals 2020/I and 2021/I shall be entered first, but only if the new Authorised Capital 2022/I is entered immediately afterwards.

The Management Board is authorised, subject to the foregoing paragraph, to apply that the resolutions pursuant to agenda item 6 be entered in the Commercial Register, irrespective of the other resolutions of the Annual General Meeting.

**7. Resolution on the authorisation to grant subscription rights to shares in the Company (stock options) to members of the Management Board and employees of the Company as well as to members of the management and employees of companies affiliated with the Company (Social Chain stock option Plan 2022), on the creation of Conditional Capital 2022/I to service the stock option Plan 2022 as well as on the corresponding amendment to the Articles of Association**

The success of a company is predicated to a large extent on motivated employees and executives. Stock options (subscription rights to shares) are a suitable way to engender this motivation in employees and executives at our Company. They are given an incentive to increase the Company's share price and hence its value. Moreover, it is a way to offer our employees and executives an attractive benefits package. It follows, therefore, that a medium to long-term emolument component such as the extension of stock options promotes the recruitment of committed employees and executives and helps cultivate their loyalty to the Company. The Management Board and Supervisory Board hold that the granting of stock options with performance targets based on the stock price is a suitable way to provide incentives for the Company's sustainable and long-term development.

In previous years already, the Management Board and the Supervisory Board have considered it necessary to grant stock options as a means of supplementing emolument of the Management Board, Company employees or the members of the management and employees of companies affiliated with the Company.

In addition to the Company's current stock option plans, there are plans to introduce another stock option plan, the "Social Chain Stock Option Plan 2022". This will require, among other things, the creation of Conditional Capital (Conditional Capital 2022/I) in a corresponding amount. This should enable the Company to issue stock options up to the maximum statutory threshold of 10% of the current Share Capital. Not only is this in the interests of the beneficiaries, it also reflects the interests – as mentioned above – of the shareholders and the Company itself. The Share Capital of EUR 15,527,775.00 at the time this Annual General Meeting is convened shall be the basis for calculating the envisaged new Conditional Capital 2022/I (and taking into account the conditional capitals already existing for the purpose of issuing stock options).

The Management Board and Supervisory Board therefore present the following proposals for resolution:

**a) Authorisation for the granting of stock options**

The Management Board is authorised, with the consent of the Supervisory Board and as set out in the following provisions ("Social Chain Stock Option Plan 2022"), to grant up to 407,929 subscription rights ("stock options") until 7 June 2027 ("authorisation period"), which in total entitle the holders to subscribe to up to 407,929 no-par value registered shares with a notional interest in the Share Capital

of EUR 1.00 ("Social Chain share") each. Where stock options are granted to members of the Management Board, this authorisation shall apply exclusively to the Supervisory Board. Shareholders do not have subscription rights.

The following shall apply to the issue of the stock options and their exercise within the framework of the Social Chain Stock Option Plan 2022:

**aa) Group of beneficiaries/allocation of subscription rights**

Stock options may only be issued to members of the Company's Management Board, to members of the management at affiliated domestic and foreign enterprises and to employees of the Company and its affiliated domestic and foreign enterprises. The exact group of beneficiaries and the number of stock options granted to them respectively will be defined by the Company's Management Board with the consent of the Supervisory Board. Where members of the Company's Management Board are to receive stock options, this definition and the decision on the issuance of the stock options shall be the exclusive responsibility of the Company's Supervisory Board, in compliance with the appropriateness requirements set out in Section 87 AktG.

The total volume of stock options in the Social Chain Stock Option Plan 2022 is allocated as follows to the group of beneficiaries:

- Members of the Company's Management Board shall receive a maximum total of up to 150,000 stock options, so approx. 36.77% of the maximum total stock options issued;
- Members of the management at domestic and foreign affiliates of the Company shall receive a maximum total of up to 200,000 stock options, so approx. 49.03% of the maximum total stock options issued;
- Employees of the Company and employees of domestic and foreign affiliates of the Company shall receive a maximum total of up to 57,929 stock options, so approx. 14.20% of the maximum total stock options issued;

Beneficiaries are only entitled to the subscription rights allocated to one group of persons. Beneficiaries must be in a non-terminated employment or work relationship with the Company or an affiliated domestic or foreign enterprise at the time the options are granted.

A corresponding number of stock options may be reissued inasmuch as subscription rights to stock options no longer apply due to the departure of beneficiaries from the Company or affiliated domestic or foreign enterprises within the authorisation period.

**bb) Issue of the stock options**

Stock options may be issued to the beneficiaries within the acquisition periods pursuant to point cc) below, from the date on which the Conditional Capital 2022/I to fulfil the Social Chain Stock Option Plan 2022 is entered in the Commercial Register up to (and including) 7 June 2027.

The stock options may be issued annually in one or several tranche(s). The conditions of the Social Chain Stock Option Plan 2022 may specify one day of the acquisition period as the standardised issue date (“issue date”), which shall be determined by the Management Board with the consent of the Supervisory Board or – where the beneficiaries belong to the Management Board – by the Supervisory Board. This shall take place in order to simplify calculation and administration of the stock options.

cc) Acquisition periods

Stock options may be issued to beneficiaries

- during the twenty stock exchange trading days following the date on which the annual or six-monthly results are announced;
- during the twenty stock exchange trading days following the publication of a quarterly report or an interim statement;
- during the twenty stock exchange trading days following the date of the ordinary Annual General Meeting;
- during the twenty stock exchange trading days following the date of an extraordinary General Meeting;

The restrictions imposed under general law (e.g. Market Abuse Regulation (EU) No. 596/2014) must be observed, which might prevent the issue of stock options in individual cases.

Stock exchange trading days within the meaning of the Social Chain Stock Option Plan 2022 are the days on which The Social Chain shares can be traded on the Frankfurt Stock Exchange. Should The Social Chain share no longer be traded on the Frankfurt Stock Exchange, the Management Board, with the consent of the Supervisory Board, or – where stock options granted to members of the Management Board are concerned – the Supervisory Board, shall be entitled to determine another, comparable stock exchange on which The Social Chain shares are traded alternatively.

dd) Waiting period before first exercise, term and exercise periods

The stock options issued can be exercised for the first time after the expiry of at least four years from the respective date of issue. In total, the stock options shall have a term of ten years from the date of issue in

each case. The stock options lapse without compensation at the end of the term.

Stock options may be exercised exclusively in the following periods (“exercise periods”) after the end of the waiting period:

- during the twenty stock exchange trading days following the date on which the annual or six-monthly results are announced;
- during the twenty stock exchange trading days following the publication of a quarterly report or an interim statement;
- during the twenty stock exchange trading days following the date of the ordinary Annual General Meeting;
- during the twenty stock exchange trading days following the date of an extraordinary General Meeting;

The restrictions imposed under general law (e.g. Market Abuse Regulation (EU) No. 596/2014) must be observed, which might prevent the exercise of stock options in individual cases.

ee) Exercise price

The exercise price to be paid upon exercise of the individual stock option (“exercise price”) corresponds to the average, volume-weighted Social Chain share price during the last 10 stock exchange trading days prior to the relevant issue date; the weighting is based on the total trading volume of the relevant stock exchange trading days at the trading venue defined below. However, the exercise price corresponds at least to the pro rata amount of the Company’s Share Capital attributable to one Social Chain share (Section 9 (1) AktG).

The “Social Chain share price” according to the Social Chain Stock Option Plan 2022 shall be the individual closing price of the Social Chain share at the trading venue on which the Social Chain share is predominantly traded (“trading venue”).

ff) General conditions of exercise

Each holder of a stock option may exercise their share options for which a performance target pursuant to lit. gg) below has been reached after the expiry of the respective waiting period and within an exercise period. The Management Board, with the consent of the Supervisory Board – or only the Supervisory Board in the case of stock options for the Management Board – may, at its own discretion, determine the specific conditions of exercise, in particular also with regard to the vesting of options vesting.

- gg) Performance target as a special condition of exercise
- Stock options may only be exercised if the following condition (“performance target”) is satisfied:
- The Social Chain share price has exceeded the exercise price by at least 20% on the last 10 stock exchange trading days prior to the beginning of the respective exercise period (“reference price”).
- Paragraph 2 of point ee) applies analogously.
- hh) Capping options
- In regard to stock options granted to members of the Management Board, the Supervisory Board shall make capping arrangements in the Social Chain Stock Option Plan 2022 to accommodate extraordinary developments. This includes, in particular, the definition of a maximum amount for the emolument of Management Board members from these stock options. The same may also be determined by the Management Board, with the consent of the Supervisory Board, for stock options that are issued to employees of the Company and its affiliated domestic and foreign enterprises and the management of affiliated domestic and foreign enterprises.
- ii) Fulfilment of the stock options
- Each stock option exercised in accordance with the conditions for The Social Chain Share Option Plan 2022 entitles the holder to a one-time subscription of one Social Chain share against payment of the exercise price on the basis of the Contingent Capital 2022/I, which shall be created for this purpose. The new Social Chain shares shall participate in the profits from the beginning of the financial year in which a resolution on the appropriation of profits has not been passed at the time of their issue.
- Prior to an exercise period, the Management Board, with the consent of the Supervisory Board, or – where stock options for members of the Management Board are concerned – the Supervisory Board, may determine that a corresponding number of Social Chain shares held by the Company as treasury shares shall be provided or a corresponding cash payment shall be made (together “alternative settlement”) instead of the provision and creation, with debt-discharging effect, of new Social Chain shares on the basis of the Contingent Capital 2022/I. Alternative settlement may be imposed in general, for several exercise periods or for individual cases; holders of the stock options must be notified of this decision in good time.
- Where alternative settlement takes place by cash payment, this shall correspond to the difference between the exercise price and the reference price.

The acquisition of treasury shares for alternative settlement must comply with the legal requirements; this resolution explicitly does not constitute authorisation pursuant to Section 71 (1) no. 8 AktG.

- jj) Adjustment for capital measures/dilution protection
- The conditions of the Social Chain Stock Option Plan 2022 may state that the exercise price and hence the performance target shall be adjusted for the event that the Company, during the term of stock options, increases its Share Capital by issuing new shares or sells treasury shares or issues bonds with conversion and/or option rights or obligations while granting a direct or indirect subscription right to its shareholders. Moreover, the conditions of the Social Chain Stock Option Plan 2022 will also include an arrangement for the adjustment of subscription rights in the event of a capital increase from Company funds and capital reduction, in the event of a new division of the shares (share split) and consolidation of shares. However, the exercise price shall correspond at least to the pro rata amount of the Company’s Share Capital attributable to one Social Chain share (Section 9 (1) AktG) in the event of an adjustment.
- kk) Provisions for other details
- The other details of the Social Chain Stock Option Plan 2022 shall be determined by the Management Board with the consent of the Supervisory Board or – where stock options granted to members of the Management Board are concerned – by the Supervisory Board in the conditions of the Social Chain Stock Option Plan 2022. The other provisions shall include in particular, insofar as they were not mentioned above:
- the procedure for issuing/granting and exercising stock options;
  - additional individual performance targets;
  - the specification of additional exercise periods in the event of a takeover of the Company or its affiliated companies, a restructuring of the Company or the Group, the conclusion of an inter-company agreement and for comparable special cases;
  - special regulations concerning general exercise requirements (incl. the vesting of options), in particular but not exclusively for the event of death, disability, retirement, departure by mutual consent, terminations and other special cases (including change of control at the Company); also for the event that the Company terminates the qualification as an affiliated company (e.g. by selling the interest);
  - transferability, inheritance attributes and securitisation of the stock options;

- provisions concerning taxes and other charges.

Where stock options are offered to members of the management of affiliated domestic and foreign companies, the additional details shall be determined by the Company's Management Board with the consent of the Supervisory Board, having agreed with the relevant bodies at the affiliated companies which are responsible for determining their emolument.

II) Reporting obligations of the management Board

The Management Board and, if applicable, the Supervisory Board will report on the stock options granted and the utilisation of stock options for each financial year in accordance with the applicable regulations and shall do so in the notes to the annual financial statements, the notes to the consolidated financial statements or the annual reports.

b) **Creation of Conditional Capital 2022/I**

The Share Capital of the Company shall be conditionally increased by up to EUR 407,929.00 through issuance of up to 407,929 no-par value ordinary registered shares (Conditional Capital 2022/I). The Conditional Capital increase shall be used exclusively to service subscription rights to shares in the Company that are issued to members of the Company's Management Board, to members of the management at affiliated domestic and foreign enterprises and to employees of the Company and its affiliated domestic and foreign enterprises based on the authorisation of the Annual General Meeting of 8 June 2022 according to the decision made on agenda item 7. The Conditional Capital increase will only be implemented to the extent that the holders of the subscription rights issued under the Social Chain Stock Option Plan 2022 exercise their right to subscribe for shares in the Company and the Company does not deliver treasury shares or grant a cash settlement to fulfil the subscription rights. The new shares shall participate in the profits from the beginning of the financial year in which a resolution on the appropriation of profits has not been passed at the time of their issue.

c) **Amendment of the Articles of Association**

A new paragraph (12) shall be added to Article 3 of the Articles of Association:

“(12) The Share Capital of the Company shall be conditionally increased by up to EUR 407,929.00 through issuance of up to 407,929 no-par value ordinary registered shares (Conditional Capital 2022/I). *The Conditional Capital increase shall be used exclusively to service subscription rights to shares in the Company that are issued to members of the Company's Management Board, to members of the management at affiliated domestic and foreign enterprises and to employees of the Company and its affiliated domestic and foreign enterprises based on the authorisation of the Annual General Meeting of 8 June 2022 according to the decision made on agenda item 7. The Conditional Capital increase will only be implemented to the extent that*

*the holders of the subscription rights issued under the Social Chain Stock Option Plan 2022 exercise their right to subscribe for shares in the Company and the Company does not deliver treasury shares or grant a cash settlement to fulfil the subscription rights. The new shares shall participate in the profits from the beginning of the financial year in which a resolution on the appropriation of profits has not been passed at the time of their issue.*

*The Supervisory Board shall be authorised to amend the wording of Article 3 (12) of the Articles of Association to reflect the respective issue of subscription shares and to make all other related amendments to the Articles of Association that only affect the wording. The same shall apply in the event of non-utilisation of the authorisation to issue subscription rights after the expiry of the authorisation period as well as in the event of non-utilisation of the Conditional Capital after the expiry of the periods for the exercise of subscription rights; in this case, the Supervisory Board shall also be authorised to delete Article 3 (12) of the Articles of Association in its entirety.”*

d) **Instruction to the Management Board**

The Management Board is instructed to apply that the resolutions on agenda item 7 be entered in the Commercial Register, irrespective of the other resolutions of the Annual General Meeting.

**8. Resolution on the cancellation of the Management Board authorisation to issue convertible bonds or bonds with warrants, on the establishment of a new Management Board authorisation to issue convertible bonds or bonds with warrants with the possibility of excluding the statutory subscription right, on the reformation of the current Conditional Capital 2020/I as Conditional Capital 2022/II as well as on the corresponding amendment to the Articles of Association**

By resolution of the Annual General Meeting of 11 May 2020 under agenda item 2, the Management Board was authorised, with the consent of the Supervisory Board, to issue bearer or registered convertible bonds or bonds with warrants on one or more occasions up to (and including) 10 May 2025 for a total nominal amount of up to EUR 300,000,000.00 either with or without a limited term and to grant the creditors or holders of convertible bonds or bonds with warrants conversion or option rights to subscribe to a total of up to 4,075,887 no-par value registered shares of the Company corresponding to a proportionate amount of the Share Capital of up to EUR 4,075,887.00 in total. At the same time, the Annual General Meeting of 11 May 2020 resolved to conditionally increase the Share Capital of the Company by up to EUR 4,075,887.00 through the issuance of up to 4,075,887 no-par value registered shares (Conditional Capital 2020/I).

So far, the Management Board has partially used the authorisation to issue convertible bonds or bonds with warrants by issuing the convertible bond 2021/2024 with a total nominal value of EUR 25,000,000.00. The Share Capital was conditionally increased by means of the Contingent Capital 2020/I in order to service conversion rights from the



2021/2024 convertible bond. The conditional capital increase had been carried out in the amount of EUR 74,204.00 by the date of the invitation to this Annual General Meeting.

The current authorisation for the issue of convertible bonds or bonds with warrants shall be cancelled and a new authorisation resolved such that the Management Board may respond flexibly to market opportunities.

The current Conditional Capital 2020/I shall be reformed as Conditional Capital 2022/II and adjusted to the Share Capital of the Company which has increased in the meantime. Calculation of the Conditional Capital 2022/II shall be based on the amount of the Company's Share Capital at the time of this invitation, which is EUR 15,527,775.00.

The Management Board and Supervisory Board therefore present the following proposals for resolution:

**a) Cancellation of the Management Board authorisation to issue convertible bonds or bonds with warrants as resolved by the Annual General Meeting of 11 May 2020 under agenda item 2**

The authorisation of the Management Board to issue convertible bonds or bonds with warrants as resolved by the Annual General Meeting of 11 May 2020 under agenda item 2, which has since been partially utilised to issue the convertible bond 2021/2024 with a total nominal amount of EUR 25,000,000.00, shall be cancelled in full.

**b) Authorisation to issue convertible bonds or bonds with warrants**

**aa) Authorisation period, nominal amount, number of shares**

The Management Board is authorised, with the consent of the Supervisory Board, to issue bearer or registered convertible bonds or bonds with warrants (together: **C/W bonds**) on one or more occasions up to (and including) 7 June 2027 for a total nominal amount of up to EUR 300,000,000.00 either with or without a limited term and to grant the creditors or holders of convertible bonds or bonds with warrants conversion or option rights to subscribe to a total of up to 6,211,110 no-par value registered shares of the Company corresponding to a proportionate amount of the Share Capital of up to EUR 6,211,110.00 in total ("**New Shares**"). The C/W bonds shall be issued against cash contributions or contributions in kind and may also be issued in the legal currency of an OECD country in addition to the euro. The C/W bonds may also be issued by enterprises in which the Company, either directly or indirectly, holds a majority interest. In this case, the Management Board shall be authorised, with the consent of the Supervisory Board, to guarantee repayment of the C/W bonds on behalf of the Company and to grant the beneficiaries of the C/W Bonds conversion or option rights to subscribe to New Shares.

**bb) Subscription right, exclusion of the subscription right**

Upon issue of the C/W bonds, shareholders shall be granted a subscription right to the new C/W bonds as a rule. The C/W bonds may also be handled by one or more banking institution(s) or one or more companies operating pursuant to Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) KWG, with the obligation to offer them to the shareholders for subscription (indirect subscription right). Where C/W bonds are issued by an enterprise in which the Company directly or indirectly holds a majority interest, the Company shall ensure the granting of subscription rights to the shareholders of the Company in accordance with the sentences above.

The Management Board is authorised, however, with the consent of the Supervisory Board, to cancel the shareholders' subscription right upon issue of the C/W bonds,

- in order to exclude from the shareholders' subscription right any fractional amounts resulting from the subscription ratio;
- inasmuch as is necessary to protect against dilution such that the holders of conversion or option rights that have been or will be issued by the Company or by enterprises in which the Company directly or indirectly holds a majority interest, may be granted subscription rights to new C/W bonds in the amount to which they would be entitled after exercising the conversion or option rights or after fulfilling conversion obligations;
- inasmuch as the pro rata amount of the share capital attributable to the New Shares to be issued on the basis of the conversion or option rights does not exceed a total of 10% of the Share Capital, neither at the time this authorisation becomes effective nor at the time it is exercised. The following must be offset against this limitation to 10% of the Share Capital.
  - shares that are issued during the term of this authorisation pursuant to or in analogous application of Section 186 (3) sentence 4 AktG, with exclusion of shareholders' subscription rights;
  - shares which are sold during the term of this authorisation based on an authorisation for the sale of treasury shares pursuant to Sections 71 (1) no. 8 sentence 5, 186 (3) sentence 4 AktG, with exclusion of the subscription right; and
  - shares that are or will be issued to service convertible bonds or bonds with warrants on the basis of other authorisations, insofar as inasmuch as the bonds are issued during the term of this authorisation in analogous application of Section 186 (3) sentence 4 AktG, with exclusion of shareholders' subscription rights.

Furthermore, the exclusion of shareholders' subscription rights pursuant to the foregoing bullet point shall only be permissible

- if the issue price of the C/W bonds is not significantly lower than their theoretical market value determined in accordance with recognised, in particular financial mathematical methods; or
- inasmuch as the C/W bonds are issued against contributions in kind, provided that the value of the contribution in kind stands in a reasonable proportion to the market value of the C/W bonds to be determined in accordance with the foregoing.

cc) Conversion right, conversion obligation

Where convertible bonds are issued, their holders shall be granted the right to convert their bonds into New Shares in accordance with the conditions of the convertible bonds that shall be determined by the Management Board with the consent of the Supervisory Board, taking into account the stipulations of the Annual General Meeting in regard to the conversion price in particular. Upon conversion, the proportionate amount of the Share Capital attributable to the New Shares to be issued shall not exceed the nominal amount of the convertible bonds. The conversion ratio is produced by dividing the nominal amount of a convertible bond by the conversion price for a New Share. The conversion ratio may also be calculated through division of the issue price of a convertible bond, which is below the nominal amount, by the fixed conversion price for a New Share. This may involve rounding up or down to a whole number. When calculating the conversion ratio, any additional cash payment to be made upon conversion may be added to the nominal amount or issue price of a convertible bond. The conditions of the convertible bonds may include a conversion obligation.

dd) Option right

Where warrant bonds are issued, one or more warrants shall be attached to each bond, entitling the holder to subscribe to New Shares in accordance with the warrant conditions that shall be determined by the Management Board, with the consent of the Supervisory Board, in compliance with the stipulations of the General Meeting, in particular with regard to the warrant price. Upon exercise of the option, the proportionate amount of the Share Capital attributable to the New Shares to be issued shall not exceed the nominal amount of the warrant bonds.

ee) Conversion price, option price, dilution protection

The conversion or option price for a New Share with a pro rata amount of the share capital of EUR 1.00 that shall be determined in each case must be at least 80% of the reference price.

The "reference price" means,

- (if a book building process is conducted), the volume-weighted average price of the Company's share on the trading venue on which the Company's share is predominantly traded ("trading Venue") during the period of the book building process, in which investors may submit purchase requests for the C/W bonds, or
- if a book building process is not conducted:
  - (if the C/W bonds are offered to the shareholders for subscription), the higher of the following two amounts: unweighted average of the closing prices during the subscription period, excluding the last four full days of the subscription period, or the closing price on the fifth last full day of the subscription period; or
  - (if the C/W bonds are not offered to the shareholders for subscription), the unweighted average of the closing prices on the ten stock exchange trading days prior to the date of the resolution by the Management Board on the issue amount of the C/W bonds.

"Closing Price" means the closing price of the Company's share determined at the trading venue in the closing auction on any particular trading day, or, if no such closing price is determined on the relevant trading day, the last price determined in continuous trading at the trading venue.

At least the lowest issue amount within the meaning of Section 9 (1) AktG shall be paid as the conversion or option price in any case, including any additional cash payment.

Notwithstanding Section 9 (1) AktG, the conversion or option price may be reduced, in accordance with the more detailed provisions of the conditions applicable to the convertible bond or option, to preserve value pursuant to an anti-dilution clause if the Company increases the share capital during the term of the C/W bonds while granting an exclusive subscription right to its shareholders, or if the Company issues or guarantees further convertible bonds or warrant bonds and does not, in this regard, grant the subscription right to the holders of existing conversion or option rights to which they would be entitled after exercising the conversion or option right or fulfilling the conversion obligation.

The conditions of the C/W bonds may stipulate furthermore, in regard to other measures that might lead to a dilution of the value of the conversion or option rights (such as a capital reduction, dividends, acquisition of control by third parties), an adjustment to preserve the value of the option and conversion obligations or rights.

The reduction in conversion or option price may also be effected through cash payment by the Company as well as by an increase in the number of New Shares granted upon conversion or exercise of the option.

Section 9 (1) AktG and Section 199 AktG remain unaffected.

ff) Other structural options

The conditions of the convertible bond or option may stipulate furthermore that the conversion or option price shall be adjusted during the term depending on parameters that are determined in advance (including, but not limited to, the price (with or without discount) at which Company shares are offered or allotted in a public offering). This shall be predicated upon the adjusted conversion or option price not falling below the aforementioned minimum price amounting to 80% of the reference price. It shall be predicated furthermore upon the adjusted conversion or option price not falling below the base price for determining the theoretical market value in the context of a placement in analogous application of Section 186 (3) sentence 4 AktG.

The conditions of the convertible bond or option may stipulate that the Company shall not grant shares in the Company to holders of the conversion or option rights, rather shall pay the equivalent value in cash.

Where a subscription right to fractions of New Shares arises, it may also be stipulated that such fractions shall be added to the subscription of whole New Shares in accordance with the conditions of the convertible bond or option.

Moreover, an additional cash payment or a cash settlement for non-convertible fractional shares may be specified.

gg) Structural details

The Management Board is authorised, with the consent of the Supervisory Board, to stipulate the further details of the convertible bond or option conditions, in particular the interest rate, issue amount of the C/W bonds, conversion or option price, amount of an additional cash payment, the term, denomination and the conversion or option period.

c) **Reformation of the Conditional Capital 2020/I as Conditional Capital 2022/II**

The current Conditional Capital 2020/I shall be reformed as Conditional Capital 2022/II and adjusted to the maximum amount permitted by law of 50% of the total Share Capital at the time of this invitation (taking into account all other conditional capitals existing at the Company or to be resolved by the Annual General Meeting). This shall take place as follows:

The Share Capital of the Company shall be conditionally increased by up to EUR 6,211,110.00 through issuance of up to 6,211,110 no-par value ordinary registered shares (Conditional Capital 2022/II). The Conditional Capital increase may only be used to grant new shares to holders of conversion or option rights granted by the Company or by companies in which the Company directly or indirectly holds a majority interest in accordance with the resolution under agenda item 2 or (i) on the basis of the authorisation of the Annual General Meeting of 11 May 2020 or (ii) on the basis of the authorisation of the Annual General Meeting of 8 June 2022 in accordance with the resolution under agenda item 8. The shares shall be issued at the conversion or option price that has been or shall be determined in accordance with the above resolutions. The Conditional Capital increase shall only be implemented inasmuch as the holders of the conversion or option rights exercise their conversion or option rights or fulfil conversion obligations under such bonds. The New Shares shall participate in the profits from the beginning of the financial year for which a resolution on the appropriation of profits has not been adopted at the time of their issue; notwithstanding, the Management Board may, if legally permissible and with the consent of the Supervisory Board, stipulate that the New Shares shall participate in the profits from the beginning of the financial year for which, at the time of the exercise of conversion or option rights or the fulfilment of conversion obligations, the Annual General Meeting has not passed a resolution on the appropriation of profits.

d) **Amendment of the Articles of Association**

Article 3 (8) of the Articles of Association shall be reworded as follows:

*“(8) The Share Capital of the Company shall be conditionally increased by up to EUR 6,211,110.00 through issuance of up to 6,211,110 no-par value ordinary registered shares (Conditional Capital 2022/II). The Conditional Capital increase may only be used to grant new shares to holders of conversion or option rights granted by the Company or by companies in which the Company directly or indirectly holds a majority interest in accordance with the resolution under agenda item 2 or (i) on the basis of the authorisation of the Annual General Meeting of 11 May 2020 or (ii) on the basis of the authorisation of the Annual General Meeting of 8 June 2022 in accordance with the resolution under agenda item 8. The shares shall be issued at the conversion or option price that has been or shall be determined in accordance with the above resolutions. The Conditional Capital increase shall only be implemented inasmuch as the holders of the conversion or option rights exercise their conversion or option rights or fulfil conversion obligations under such bonds. The New Shares shall participate in the profits from the beginning of the financial year for which a resolution on the appropriation of profits has not been adopted at the time of their issue; notwithstanding, the Management Board may, if legally permissible and with the consent of the Supervisory Board, stipulate that the New Shares shall participate in the profits from the beginning of the financial year for which, at the time of the exercise of conversion or option*

*rights or the fulfilment of conversion obligations, the Annual General Meeting has not passed a resolution on the appropriation of profits.”*

**9. Resolution on the approval of the Remuneration Report for the 2021 financial year**

Pursuant to Section 162 AktG, the Management Board and Supervisory Board of a listed company shall prepare an annual report on the remuneration granted and owed by the Company and by companies of the Social Chain Group to each individual current or former member of the Management Board and Supervisory Board in the last financial year. The Remuneration Report shall be audited by the auditor and submitted to the Annual General Meeting according to Section 120a (4) AktG.

The Remuneration Report for the 2021 financial year as reproduced in the notes to agenda item 9 under III. was reviewed in accordance with Section 162 (3) AktG to determine whether the legally required disclosures pursuant to Section 162 (1) and (2) AktG have been made. The audit opinion on the Remuneration Report is appended to the Remuneration Report.

The Management Board and the Supervisory Board propose that the Remuneration Report for the 2021 financial year, prepared and audited in accordance with Section 162 AktG, be approved.

**10. Resolution on the approval of the remuneration system for members of the Management Board**

Pursuant to Section 120a (1) AktG, the Annual General Meeting of a listed company must pass a resolution on the approval of the remuneration system for members of the Management Board as presented by the Supervisory Board and must do so at least every four years and whenever there is a significant change to the remuneration system.

The Company only became subject to the provision set out in Section 120a (1) AktG with its IPO on 12 November 2021, so the first resolution pursuant to Section 120a (1) AktG must be adopted at this ordinary Annual General Meeting.

The Supervisory Board adopted the remuneration system for members of the Company's Management Board at its meeting on 20<sup>th</sup> April 2022.

The Supervisory Board proposes that the remuneration system for members of the Company's Management Board, as set out in the notes to this agenda item 10 under item IV, be approved.

**11. Resolution on the remuneration system and remuneration for members of the Supervisory Board**

Pursuant to Section 113 (3) sentences 1 and 2 AktG, the Annual General Meeting of a listed company shall pass a resolution on the remuneration for members of the Supervisory Board at least every four years, whereby a resolution confirming the remuneration is permissible. The Company only became subject to this provision with its IPO on 12 November 2021, so the first resolution pursuant to Section 113 (3) AktG must be adopted at this ordinary Annual General Meeting.

Pursuant to Article 10 (1) of the Company's Articles of Association, each member of the Supervisory Board shall receive appropriate remuneration to be determined by resolution of the Annual General Meeting, in addition to a reimbursement of expenses.

The Annual General Meeting of the Company (named "Lumaland AG" at the time) last fixed the compensation payable to the members of the Supervisory Board by resolution dated 19 August 2019, agenda item 10. The resolution of the Annual General Meeting on the specific determination of remuneration for members of the Supervisory Board is as follows:

*"The members of the Supervisory Board receive, in addition to the reimbursement of their expenses – including any value added tax to be charged to them for their Supervisory Board activities – fixed compensation amounting to EUR 50,000.00 for the individual member. The compensation is payable to the members of the Supervisory Board in four equal instalments at the end of each calendar quarter.*

*If members of the Supervisory Board leave the Supervisory Board in the course of a financial year, they receive the compensation pro rata temporis. At such time as the aforementioned resolution enters into effect, the above determination of Supervisory Board compensation applies for the first time to the financial year commencing on 1 January 2019."*

The Management Board and the Supervisory Board have come to the conclusion, after a thorough review, that the remuneration for the members of the Supervisory Board remains commensurate with the tasks of the Supervisory Board members and the position of the Company.

Notwithstanding, the current remuneration system shall be amended – with regard to the VAT to be reimbursed by the Company – to reflect changes in jurisprudence, namely that VAT shall only to be paid if it has actually been incurred.

The Management Board and Supervisory Board therefore propose that the following resolution be passed:

- a) The current remuneration policy for members of the Supervisory Board of The Social Chain AG pursuant to Article 10 of the Company's Articles of Association, in conjunction with the resolution of the Annual General Meeting of 19 August 2019 on agenda item 10 for the specific determination of the remuneration, is approved with the proviso that any value added tax chargeable for Supervisory Board activities shall only be paid inasmuch as it has actually been incurred.
- b) The remuneration system upon which the remuneration of members of the Supervisory Board of The Social Chain AG is based, as reproduced in the notes to this agenda item 11 under item V, is hereby approved.

## II.

### Written reports by the Management Board to the Annual General Meeting

#### 1. Report by the Management Board on the utilisation of the Authorised Capital 2020/I and the Authorised Capital 2021/I

The Authorised Capital 2020/I (Article 3 (6) of the Company's Articles of Association) was originally EUR 5,094,859.00 based on the resolution of the Annual General Meeting of 11 May 2020.

On 7 August 2020, the Management Board then resolved, with the approval of the Supervisory Board, to utilise the Authorised Capital 2020/I by issuing 518,859 New Shares in total against cash contributions in the form of a prospectus-free capital increase, excluding shareholders' subscription rights and placing the newly issued shares with qualified private investors at a placement price of EUR 19.50 per New Share issued. The requirements of Sections 203 (1) sentence 1 and (2), 186 (3) sentence 4 AktG were observed in determining the price. Compliance with these provisions is mandatory for the Authorised Capital 2020/I due to the exclusion of subscription rights in capital increases against cash contributions in the amount of up to 10% of the Share Capital. These provisions stipulate that the issue price for the New Shares must not be significantly lower than the stock market price of the Company's shares. The placement price of EUR 19.50 per New Share was not significantly lower than the stock exchange price of the Company's shares at the time the resolution was passed. This capital increase, with utilisation of the Authorised Capital 2020/I, increased the Company's Share Capital by EUR 518,859.00, from EUR 10,316,804.00 to EUR 10,835,663.00, and reduced the Authorised Capital 2020/I commensurately to EUR 4,576,000.00. The proportionate amount of the Share Capital attributable to the New Shares issued under exclusion of subscription rights was 5.03% at the time the authorisation entered into effect or was exercised.

On 26 November 2020, the Management Board again resolved, with the approval of the Supervisory Board, to utilise the Authorised Capital 2020/I by issuing 512,821 New Shares in total against cash contributions in the form of a prospectus-free capital increase, excluding shareholders' subscription rights and placing the newly issued shares with qualified private investors at a placement price of EUR 19.50 per New Share issued. The requirements of Sections 203 (1) sentence 1 and (2), 186 (3) sentence 4 AktG were observed in determining the price. Compliance with these provisions is mandatory for the Authorised Capital 2020/I due to the exclusion of subscription rights in capital increases against cash contributions in the amount of up to 10% of the Share Capital. These provisions stipulate that the issue price for the New Shares must not be significantly lower than the stock market price of the Company's shares. The placement price of EUR 19.50 per New Share was not significantly lower than the stock exchange price of the Company's shares at the time the resolution was passed. This capital increase, with utilisation of the Authorised Capital 2020/I, increased the Company's Share Capital by EUR 512,821.00, from EUR 10,835,663.00 to EUR 11,348,484.00, and reduced the Authorised Capital 2020/I commensurately to EUR 4,063,179.00. The proportionate amount of the Share Capital attributable to the New Shares issued under

exclusion of subscription rights was 4.97% at the time the authorisation entered into effect, i.e. 4.52% at the time the authorisation was exercised.

By resolution of the Management Board of 30 November 2020, the Management Board, with the consent of the Supervisory Board of the same date, resolved to continue utilising the Authorised Capital 2020/I by issuing 100,000 new shares with exclusion of shareholders' subscription rights, as part of a capital increase against contribution in kind of two business shares in Carl Wilhelm Clasen Gesellschaft mit beschränkter Haftung, with registered office in Schwarzenbek and entered in the Commercial Register of the Lübeck District Court under HRB 14716 L., with a nominal value of EUR 360,000.00 each. The new shares were issued at an issue price of EUR 25.00 each. This capital increase, with utilisation of the Authorised Capital 2020/I, increased the Company's Share Capital by EUR 100,000.00, from EUR 11,348,484.00 to EUR 11,448,484.00, and reduced the Authorised Capital 2020/I commensurately to EUR 3,963,179.00.

The Authorised Capital 2020/I was reduced to a total of EUR 612,821.00 in total by resolution of the Company's Annual General Meeting of 11 December 2020.

By resolution of the Management Board of 16 June 2021, the Management Board, with the consent of the Supervisory Board of the same date, resolved to continue utilising the Authorised Capital 2020/I by issuing 4,763 new shares with exclusion of shareholders' subscription rights, as part of a capital increase against contribution in kind of 62,500 shares in Mint Marketing Agency, Inc. with registered office in Los Angeles USA, at an issue price of EUR 32.51 per newly issued share. This capital increase, with utilisation of the Authorised Capital 2020/I, increased the Company's Share Capital by EUR 4,763.00, from EUR 11,448,484.00 to EUR 11,453,247.00, and reduced the Authorised Capital 2020/I commensurately to EUR 608,058.00.

There have been no further utilisations of the Authorised Capital 2020/I since then.

The Authorised Capital 2021/I was originally EUR 5,111,421.00, based on the resolution of the Annual General Meeting of 30 July 2021.

By resolution of 23 November 2021, the Management Board, with the consent of the Supervisory Board of the same date, resolved to utilise the Authorised Capital 2021/I by up to 1,145,324 new shares to be issued as part of a cash capital increase with exclusion of the shareholders' subscription rights. The Management Board defined the terms of this cash capital increase on 24 November 2021 – also with the consent of the Supervisory Board – by determining that 1,145,324 new shares would be issued at an issue amount of EUR 46.40 per new share. The requirements of Sections 203 (1) sentence 1 and (2), 186 (3) sentence 4 AktG were observed in determining the price. Compliance with these provisions is mandatory for the Authorised Capital 2021/I due to the exclusion of subscription rights in capital increases against cash contributions in the amount of up to 10% of the Share Capital. These provisions stipulate that the issue price for the New Shares must not be significantly lower than the stock market price of the Company's shares. The placement price of EUR 46.40 per New Share was not significantly lower than the stock exchange price of the Company's shares at the time the resolution was passed. The Company's Share Capital was increased by EUR 1,145,324 from EUR 11,453,247.00 to EUR 12,598,571.00 as a result of this capital

increase. The Authorised Capital 2021/I was reduced accordingly to EUR 3,966,097.00. The proportionate amount of the Share Capital attributable to the New Shares issued under exclusion of subscription rights was 10% at the time the authorisation entered into effect or was exercised.

By resolution of 19 October 2021, the Management Board, with the approval of the Supervisory Board on the same day, resolved to utilise the Authorised Capital 2021/I by issuing 2,855,000 new shares in the context of a capital increase against contributions in kind with exclusion of shareholders' subscription rights, in exchange for the contribution of a total of 63,249 shares with a nominal value of EUR 1.00 each in TSCDS Holding GmbH, entered in the Commercial Register of the Charlottenburg Local Court under HRB 232978 B, at an issue price of EUR 45.00 each. The Share Capital was increased by EUR 2,855,000.00 from EUR 12,598,571.00 to EUR 15,453,571.00 as a result of this capital increase through contributions in kind. The Authorised Capital 2021/I was reduced accordingly to EUR 1,111,097.00.

There have been no further utilisations of the Authorised Capital 2021/I since then.

The Management Board will use its oral report to the Annual General Meeting to provide another detailed account of how the current authorised capital has been utilised as described above.

**2. Written report of the Management Board on agenda item 6 concerning the reasons for the exclusion of the subscription right pursuant to Sections 203 (2) sentence 2 AktG, 186 (4) sentence 2 AktG**

At present, the Company has (with addition of the current Authorised Capital 2020/I amounting to EUR 608,058.00 (Article 3 (6) Articles of Association) and the current Authorised Capital 2021/I amounting to EUR 1,111,097.00 (Article 3 (11) Articles of Association)) Authorised Capital in the amount of EUR 1,719,155.00 at its disposal. This is equivalent to 11.07% of the Share Capital. The purpose is to restore to the Company extensive flexibility for use of authorised capital in the amount of the maximum legally permissible volume of 50% of the current Share Capital in the amount of EUR 15,527,775.00, and hence in the amount of EUR 7,763,887. This should enable the Company to continue exploiting nascent business opportunities as quickly as possible.

The new Authorised Capital 2022/I should allow the Company to raise on short notice all the capital it requires for its continued development on the capital markets by issuing new shares. It should enable the Company furthermore to act flexibly and promptly in the exploitation of a favourable market environment to cover its future financing requirements and to respond quickly and successfully to advantageous offers or opportunities that otherwise arise, as well as to take advantage of opportunities for the expansion of the Company and, in doing so, to create in particular the possibility for the issue of new shares which may be represented by American Depositary Shares ("ADS") listed on the New York Stock Exchange or the NASDAQ Stock Market. Given that decisions on the coverage of the Company's future capital requirements are usually necessary at short notice, it is important in this regard that the Company should not be dependent on the rhythm of the Annual General Meetings or on the long notice period for an extraordinary

General Meeting. The legislator has taken these circumstances into account with the instrument of authorised capital. In principle, the shareholders of the Company have a subscription right to newly issued shares, i.e. each shareholder has the right to subscribe new shares in a number that corresponds to their respective participation in the Company's Share Capital until that time. The authorisation stipulates that, in the event of a capital increase against cash contributions, the newly issued shares may also be handled by one or more domestic banking institution(s) or one or more foreign enterprises operating pursuant to Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) German Banking Act, with the obligation to offer them to the shareholders for subscription. This does not constitute a restriction of the subscription right, as the shareholder is indirectly granted the same subscription rights as would be the case in direct subscription. For technical reasons, at least one domestic banking institution or a foreign enterprise operating pursuant to Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) German Banking Act shall be interposed, which shall accept the subscription requests of the shareholders and, after the implementation of the capital increase, deliver the shares against payment of the subscription price to the shareholders with subscription entitlements.

The proposed resolution includes an authorisation to exclude this subscription right, which applies in principle upon exploitation of the authorised capital for certain purposes that are specified in detail in the proposed resolution and reflect the relevant statutory provisions. The Management Board and the Supervisory Board hold that this authorisation to exclude shareholders' subscription rights is materially justified and appropriate vis-à-vis the shareholders, taking into account and weighting all circumstances in the reasons explained below.

- a) The authorisation to exclude the subscription right for the utilisation of fractional shares is necessary in order to ensure at all times a practicable subscription ratio in the event of a capital increase. Its purpose is therefore only to enable utilisation of the authorised capital with round amounts. Fractional amounts are created if the subscription ratio and the amount of a capital increase do not permit the equal distribution of the new shares to shareholders. Technical implementation of the capital increase would be more difficult without this authorisation, especially if the capital is increased by a round amount. The costs of trading the rights to fractional shares are disproportionate to the benefit for shareholders. The shares that are free of subscription rights and are created by exclusion of subscription rights for free fractional amounts will be sold on the stock exchange (if possible) or otherwise in the best possible way for the Company. The potential dilution effect is low due to the limitation of fractional shares.
- b) The intended exclusion of subscription rights for capital increases against contributions in kind is mainly intended to enable the acquisition of companies, parts of companies and interests in companies against the granting of shares. Sellers often demand shares in the Company as a form of consideration in these transactions. Likewise, the Company may have a particular interest, especially to preserve liquidity, in offering the respective seller new shares in the Company as consideration for a company, a part of a company or an interest in a company. Shares from

authorised capital may be a sensible form of consideration, especially when liquidity is scarce and the conditions for raising debt capital in various industries have become fundamentally more difficult.

The authorised capital enables the Company to respond quickly and flexibly when opportunities arise to acquire companies, parts of companies or interests in companies against the issue of new shares in eligible individual cases. The proposed authorisation permits acquisitions against the issue of shares in the Company and strengthens the Company's equity base at the same time.

The Management Board and the Supervisory Board will only utilise the option of a capital increase against contributions in kind under exclusion of subscription rights from the authorised capital if the value of the new shares and the value of the consideration (company, part of a company or interest in a company as well as receivables, if applicable) reflect a reasonable ratio. This prevents shareholders excluded from the subscription right from incurring economic losses. These shareholders have the option of maintaining their shareholding through purchases on the stock exchange at essentially the same prices.

- c) The authorisation to exclude subscription rights in favour of the holders of conversion or option rights is intended to avoid reducing the option or conversion price according to the usual anti-dilution clauses contained in the option or conversion terms and to prevent any requirement to make an additional cash payment to the holders of such rights. Anti-dilution clauses are necessary to facilitate placement on the capital market and protect the holders or creditors of the bonds from dilution due to subsequent share issues. Instead of compensation by reducing the option or conversion price or making an additional cash payment, an alternative method of dilution protection will be created by granting the holders or creditors of the bonds with option or conversion rights a subscription right in an amount equivalent to what their entitlement would have been after exercising the option or conversion right or after fulfilment of the conversion obligation.
- d) The Company is authorised furthermore to exclude subscription rights in the event of capital increases against cash contributions in an amount up to a maximum of 10% of the Company's share capital, whereby the issue price of the new shares must not be significantly lower than the stock exchange price of the Company's listed shares. The exchange price shall also be the price of ADS multiplied by the number of ADS representing one share. It shall be at the discretion of the Company to select which stock exchange price shall be authoritative if the Company's share is listed on the Regulated Market of the Frankfurt Stock Exchange and, at the same time, ADS of the Company are listed on the New York Stock Exchange or on the NASDAQ Stock Exchange. This authorisation to exclude subscription rights in the case of cash capital increases enables the Management Board, with the consent of the Supervisory Board, to exclude shareholders' subscription rights in accordance with Section 186 (3) sentence 4 AktG. The share capital at the time this authorisation becomes effective and at the time it is exercised shall be authoritative in calculating the 10% limit; neither of these limits may be exceeded. The Company shall offset against the limit of 10% of the share capital (i) those shares that have been or will be issued to

service conversion or option rights, insofar and inasmuch as the convertible bonds or bonds with warrants from which these rights arise are issued during the term of the authorisation in analogous application of Section 186 (3) sentence 4 AktG, as well as (ii) those shares that are sold during the term of the Authorised Capital 2022/I on the basis of an authorisation to sell treasury shares pursuant to Sections 71 (1) no. 8 sentence 5, 186 (3) sentence 4 AktG, excluding subscription rights. This authorisation enables the Company to exploit favourable stock market conditions at short notice and to strengthen its equity base.

The shareholders' interest in dilution protection to preserve value is taken into account by ensuring that the issue price of the share is not significantly lower than the stock exchange price. As the new shares will be placed close to the market price, each shareholder will be able to maintain their shareholding by acquiring shares on the market at approximately the same conditions as the issue. The Management Board will set the issue price as close to the current stock market price as possible, taking into account the respective situation on the capital market, and will make efforts to place the new shares in a manner that does not harm the market.

- e) Finally, the Management Board shall be authorised, with the consent of the Supervisory Board, to exclude the subscription right for the purpose of listing the Company's share, in the form of ADS if applicable, on a foreign stock exchange. In this context, it should also be possible to provide the participating underwriters with the shares they need for settlement or in connection with any over-allotment option, to the exclusion of the shareholders' subscription rights.

Introducing the Company's share, possibly in the form of ADS, on foreign stock exchanges and specifically, for example, on the New York Stock Exchange (NYSE) or the NASDAQ stock exchange, is consistent with the Company's interests for a variety of reasons. Of particular note is the fact that US investors (institutional and private) are especially interested in technology stocks, possibly more than the European and German markets. Moreover, the German market has a limited capacity to absorb young shares. The Company would decisively improve its ability to introduce additional capital measures to meet its financing needs by introducing the Company's share on the NYSE, NASDAQ or elsewhere, possibly in the form of ADS. In addition, broadening the shareholder base in this way would reduce the volatility of the Company's share price and increase its attractiveness, which would again increase its capability to introduce additional capital measures to cover future financial requirements. Furthermore, listing the Company's share, possibly in the form of ADS, on at least one major foreign stock exchange would raise general awareness of the Company's share abroad and in doing so create additional advantages for operational business. This would specifically create sales benefits and increase the ability to recruit further highly qualified employees. Moreover, the US market is becoming increasingly crucial to the Company and its affiliated enterprises. Listing the Company's shares on the NYSE or NASDAQ would impact positively on the perception of the Company in the US and would therefore be beneficial for the Company's business development.

With regard to the scope of a possible placement – combined with an exclusion of subscription rights – the Company should be in a position to exploit any opportunities arising from the market conditions at the time of an IPO to expand its shareholder base and to raise new liquidity to such extent as is reasonable, with due consideration of the existing shareholders' interest in preventing an undue dilution of their shareholdings.

The Management Board requires some discretionary leeway to determine a placement price that reflects market expectations. In this regard, the Management Board will give adequate consideration to the financial interests of its current shareholders. When setting the placement price in particular, the Management Board will make any discounts on the prevailing stock exchange price in connection with the placement only in the extent it deems conducive to a successful placement on the foreign stock exchange. The Management Board will base its price determination on a pricing procedure that reflects the market circumstances, e.g. within the framework of a book building process.

Based on the elaborations above, the authorisation to exclude subscription rights is necessary in all cases within the limits described and is in the interest of the Company. The Supervisory Board will only grant its required consent to the utilisation of the authorised capital under exclusion of subscription rights if the requirements described herein and the legal requirements are met.

The Management Board will report to the Annual General Assembly on the utilisation of the Authorised Capital 2022/I.

### **3. Written report of the Management Board on agenda item 8 concerning the reasons for the exclusion of the subscription right pursuant to Sections 186 (4) sentence 2 AktG, 221 (4) AktG**

The current authorisation for the issue of convertible bonds or bonds with warrants shall be cancelled and a new authorisation resolved by the Annual General Meeting on 11 May 2020 such that the Management Board may respond flexibly to market opportunities.

The current Conditional Capital 2020/I, which was also approved by the Annual General Meeting on 11 May 2020, shall be reformed as Conditional Capital 2022/II and adjusted to the Company's Share Capital, which has since increased. This shall be implemented once again to grant the Management Board the greatest possible flexibility for the issuance of convertible bonds or bonds with warrants such that it may respond to emerging market opportunities at any time. Calculation of the Conditional Capital 2022/II shall be based on the amount of the Company's Share Capital at the time of this invitation, which is EUR 15,527,775.00.

With the new authorisation proposed under agenda item 8, the Management Board and the Supervisory Board are seeking to exploit the possibility extended by the legislator to create equity by issuing bonds that are linked to conversion or option rights to shares in the Company (C/W bonds). Adequate equity capitalisation is an essential basis for

Company's development going forward. The issue of C/W bonds enables the Company to exploit attractive financing opportunities as they emerge in the various market situations and hence to obtain capital for the Company at a low current interest rate. The conversion and option premiums will benefit the Company upon issue. Practice has shown that some financing instruments can only be placed with the extension of option or conversion rights.

In principle, the shareholders of the Company have a subscription right to newly issued C/W bonds in a number that corresponds to their respective participation in the Company's Share Capital until that time.

The C/W bonds may also be handled by one or more banking institution(s) or one or more companies operating pursuant to Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) KWG, with the obligation to offer them to the shareholders for subscription (indirect subscription right). The purpose in this regard is to facilitate settlement. It should not be equated with an exclusion of the subscription right, as the shareholders are granted an indirect subscription right to the C/W bonds in this way.

The proposed resolution includes an authorisation to exclude this subscription right, which applies in principle upon the issuance of C/W bonds for certain purposes that are specified in detail in the proposed resolution and reflect the relevant statutory provisions. The Management Board and the Supervisory Board hold that this authorisation to exclude shareholders' subscription rights is materially justified and appropriate vis-à-vis the shareholders, taking into account all circumstances in the reasons explained below.

- 1) The proposed authorisation to exclude the subscription right for the realisation of fractional shares enables the establishment of a workable subscription ratio. Fulfilment of the capital measure would otherwise be complicated, especially for the issue of C/W bonds in round amounts. Fractional amounts are created if the subscription ratio and the amount of an issue do not permit the equal distribution of the new C/W bonds to shareholders. The costs of trading the rights to fractional amounts are disproportionate to the benefit for shareholders. The C/W bonds that are free of subscription rights and are created by exclusion of subscription rights for free fractional amounts will be sold on the stock exchange (if possible) or otherwise in the best possible way for the Company. The potential dilution effect is low due to the limitation of fractional amounts.
- 2) The authorisation to exclude subscription rights in favour of the holders of conversion or option rights is intended to prevent any necessary reduction of the option or conversion price for the option or conversion rights that have already been issued or the requirement to make an additional cash payment. In order to protect against dilution, it shall instead be possible to grant holders of these rights a subscription right to the new C/W bonds in the amount to which they would be entitled after exercising their rights.
- 3) Furthermore, the Management Board and the Supervisory Board shall be authorised to issue C/W bonds under exclusion of the shareholders' subscription rights inasmuch as the pro rata amount of the share capital attributable to the New Shares



to be issued on the basis of the conversion or option rights does not exceed a total of 10% of the Share Capital, neither at the time this authorisation becomes effective nor at the time it is exercised. The Company will therefore be enabled to exploit favourable stock market situations at short notice and to achieve the best possible terms for the issue of C/W bonds by defining the conditions to reflect the needs of the market.

This is not possible if the subscription right is upheld, as the length of the subscription period limits the ability to react to market conditions at short notice. Uncertainty concerning the exercise of subscription rights may also affect a successful placement of the C/W bonds with third parties. Moreover, the exclusion of subscription rights will allow the Company to continue broadening its shareholder base through the inclusion of international investors.

The legal bases for the exclusion of the subscription right are Sections 221 (4) sentence 2 AktG, 186 (3) sentence 4 AktG. The interests of the shareholders are protected by the fact that the C/W bonds must not be issued significantly below the (theoretical) market value. A hypothetical stock exchange price for the bond can be determined in particular using the Black/Scholes model or other recognised financial mathematical methods, which then also identify any dilution effect by comparison with the issue price. In this respect, this is no different to a capital increase under exclusion of the subscription right pursuant to Section 186 (3) sentence 4 AktG.

Even if the conversion or option price is set depending on the development of the share price or share price according to the conditions of the convertible bond or option, it remains possible to determine an appropriate theoretical market value using recognised methods, in particular methods of financial mathematics, at least if the number of shares to be issued is determined with due consideration of a minimum price set when the C/W bonds are issued.

The Management Board and Supervisory Board will review on a case-by-case basis whether protection against dilution is guaranteed. This may take place by obtaining the expert opinion of an investment bank or auditing firm on the issue of the dilution effect.

The Management Board and the Supervisory Board will offset the following shares against the limit of 10% of the Share Capital as stipulated in the authorisation:

- shares that are issued during the term of this authorisation pursuant to or in analogous application of Section 186 (3) sentence 4 AktG, with exclusion of shareholders' subscription rights;
- shares which are sold during the term of this authorisation based on an authorisation for the sale of treasury shares pursuant to Sections 71 (1) no. 8 sentence 5, 186 (3) sentence 4 AktG, with exclusion of the subscription right; and
- shares that are or will be issued to service convertible bonds or bonds with warrants on the basis of other authorisations, insofar and inasmuch as the bonds are issued during the term of this authorisation in analogous application of

Section 186 (3) sentence 4 AktG, with exclusion of shareholders' subscription rights.

- 4) Where it is in the interests of the Company, C/W bonds may also be issued against contributions in kind. The Management Board is authorised, with the consent of the Supervisory Board, to exclude the shareholders' subscription right in this case, provided that the value of the contribution in kind is in an appropriate ratio to the theoretical market value of the C/W bonds that is determined in accordance with recognised principles of financial mathematics. This creates the opportunity for using C/W bonds as consideration in acquisitions when suitable cases arise (for example in connection with the acquisition of companies, interests in companies or other assets). Practical experience has shown that it is often necessary during negotiations to offer not money, but also or exclusively other forms of consideration. It follows, therefore, that the opportunity to offer C/W bonds as consideration strengthens the Company's position in the competition for interesting acquisition targets and increases the scope for exploiting opportunities to acquire companies, interests in companies or other assets, even on a larger scale, while also preserving liquidity. An approach of this kind may also be purposeful from the perspective of optimised financing structures. The Management Board will scrutinise on a case-by-case basis whether to use the authorisation to issue C/W bonds against contributions in kind with exclusion of subscription rights. It will only do so if this approach is in the interests of the Company and hence in the interests of the shareholders.

Reformation of the current Contingent Capital 2020/I as Contingent Capital 2022/II is purposeful and necessary in order to service the conversion and option rights associated with the C/W bonds as well as the conversion and option rights that have already been issued under the authorisation that will now be cancelled.

The conversion or option price for a New Share shall be determined by the Management Board with the consent of the Supervisory Board – taking into account the market conditions at the time that the C/W bonds are issued – and may not be less than 80% of the reference price defined in the authorisation.

Where the Management Board uses one of the above authorisations to exclude subscription rights in connection with the issue of C/W bonds, it will report on the matter at the following Annual General Meeting.

**III.**  
**Note to agenda item 9**

**Compensation Report**  
**The Social Chain AG**

**A. Introduction**

**1. About this Report**

This Compensation Report provides detailed explanations of the individualised compensation paid to members of the Management Board of The Social Chain AG (“**TSC AG**”) (refer to **B.**) and to members of the Supervisory Board (refer to **C.**) during the 2021 financial year. The Compensation Report satisfies the requirements pursuant to Section 162 Stock Corporation Act (AktG) in the version of the Act Implementing the Second Shareholders’ Rights Directive (ARUG II).

TSC AG has only been subject to the provisions governing listed companies since it went public on 12 November 2021 (uplisting on the Frankfurt Stock Exchange). An ordinary Annual General Meeting of TSC AG has not been held since it went public. This means that a compensation system for members of the Management Board and the Supervisory Board within the meaning of Section 87a AktG or Sections 113 para. 3, 87a AktG, on which the Annual General Meeting of TSC AG would have had to pass a resolution pursuant to Section 120a para. 1 AktG or Section 113 para. 3 AktG, was not in place during the 2021 reporting year.

This Compensation Report reports on the compensation granted and owed in each of the periods shown. In this regard, a general assumption applies that compensation according to the accrual principle is only granted in the financial year in which the compensation actually accrues to the respective board member. Compensation is further due if the Company has a legally existing obligation towards the board member that is due but not yet fulfilled. As a result, compensation that has been promised but is not yet due is only to be disclosed in the compensation report for the financial year in which the corresponding obligation is due.

This Compensation Report was prepared by the Management Board in consultation with the Supervisory Board of TSC AG and will be presented for approval to the ordinary Annual General Meeting of TSC AG on 8 June 2022.

**2. Trend of earnings in the Group**

The Social Chain Group generated revenues of kEUR 312.672 in 2021, compared to kEUR 130.094 in the previous year. Group EBITDA (IFRS) as of 31 December 2021 stood at kEUR -22.978 compared to kEUR -7.389 in the previous year.

Please refer to the information provided in the 2021 Annual Report with regard to the other results of operations, financial position and net assets of The Social Chain Group and the results of operations, financial position and net assets of TSC AG, as well as with regard to the risks and opportunities of future business development.

**B. Compensation for the Management Board**

**1. Principles governing Management Board compensation in accordance with the compensation system of The Social Chain AG (application to new contracts of the Management Board with effect from 1 May 2022)**

A compensation system for the members of the Management Board was not in place for the 2021 reporting year. The Supervisory Board of TSC AG adopted the first compensation system for members of the Management Board in April 2022. It complies with the requirements of Section 87a AktG and the recommendations enshrined in the German Corporate Governance Code (DCGK) and will be presented for approval at the Annual General Meeting of TSC AG on 8 June 2022. The TSC AG compensation system is set out in Item IV of the invitation to the Annual General Meeting on 8 June 2022.

The compensation system will apply to all new Management Board contracts of employment that will be concluded or extended as of 1 May 2022.

**2. Composition of the Management Board**

In the 2021 financial year, the Management Board was composed of the following three members:

- Wanja Sören Oberhof (Chairman of the Board), Member of the Management Board since 1 May 2018
- Christian Senitz (Chief Financial Officer), Member of the Management Board since 1 March 2021
- Ralf Dümmel (Chief Product Officer), Member of the Management Board since 8 December 2021

### 3. Components of the compensation paid to members of the Management Board in the 2021 reporting year (Section 162 (1) sentence 2 no. 1 AktG)

The compensation paid to members of the Management Board of TSC AG in office in the 2021 financial year essentially consisted of a fixed salary, the granting of stock options under the Stock Option Plan ("SOP"), which was approved by the Annual General Meeting of TSC AG and adopted by the Supervisory Board of TSC AG, as well as customary individual fringe benefits.

The current Management Board contract of employment for Mr Christian Senitz also includes an event-related one-off compensation component of EUR 250,000.00 linked to the successful uplisting of the shares in TSC AG on the regulated market of the Frankfurt Stock Exchange. However, this performance-related bonus was not paid out until the 2022 financial year, although it was owed in the 2021 reporting year and is hence already listed in this Compensation Report as part of the consideration owed.

In addition, Mr Christian Senitz has been granted stock options for the 2021 financial year in satisfaction of contractual entitlements under the SOP in place at the time of issue.

There are no pension commitments. No contributions to company pension schemes were granted in the reporting period either.

Compensation was neither granted nor owed to previous members of the TSC AG Management Board in the 2021 reporting year.

The compensation granted as shown below is determined according to the accrual principle, i.e. it is shown in the year in which it actually accrues to the respective member of the Management Board and is transferred to their assets. Compensation is due if the Company has a legally existing obligation towards the board member that is due but not yet fulfilled. Compensation for the activities of the members of the Management Board is paid exclusively by TSC AG.

	Wanja Sören Oberhof (Chief Executive Officer)				Christian Senitz (Chief Financial Officer)				Ralf Dümmel (Chief Product Officer)			
	since May 1, 2018				since March 1, 2021				since December 8, 2021			
	2020		2021		2020		2021		2020		2021	
	in kEUR	in %	in kEUR	in %	in kEUR	in %	in kEUR	in %	in kEUR	in %	in kEUR	in %
Fixed salary	300	29,0%	300	94,3%	---	---	208,3	28,7%	---	---	43,8	95,2%
Fringe benefits*	18	1,7%	18	5,7%	---	---	0	0,0%	---	---	2,2	4,8%
D&O-Police**	25	---	35	---	---	---	35	---	---	---	35	---
<b>Sum</b>	<b>318</b>	<b>30,7%</b>	<b>318</b>	<b>100,0%</b>	---	---	<b>208,3</b>	<b>28,7%</b>	---	---	<b>46</b>	<b>100,0%</b>
Yearly performance related variable compensation	0	0,0%	0	0,0%	---	---	250	34,4%	---	---	0	0,0%
Multi-annual variable compensation	716,2	69,3%	0	0,0%	---	---	267,6	36,9%	---	---	0	0,0%
- by cash payments	0	0,0%	0	0,0%	---	---	0	0,0%	---	---	0	0,0%
- by granting SOP***	716,2	69,3%	0	0,0%	---	---	267,6	36,9%	---	---	0	0,0%
Other	0	0,0%	0	0,0%	---	---	0	0,0%	---	---	0	0,0%
Sum of paid and owed compensation	1034,2	100,0%	318	100,0%	---	---	725,9	100,0%	---	---	46	100,0%
Pension related payments	0	0,0%	0	0,0%	---	---	0	0,0%	---	---	0	0,0%
Overall compensation including pension related payments	1034,2	100,0%	318	100,0%	---	---	725,9	100,0%	---	---	46	100,0%

\* Costs of a company car which can also be used privately (if provided) and other fringe benefits  
\*\* Overall costs for the group-wide D&O-insurance policy, which covers not only the board members but also other senior management members and board members in subsidiaries. The amounts stated are the overall costs of the group have not been calculated down to the individual board members. Therefore, this amount has not been considered for the individual board members in their overall amounts and also not with regard to the percentual distribution of their compensation.  
\*\*\* Calculated pursuant to the fair-value-principle under the IFRS2-standard

Figure 1 - Compensation granted and due to the current members of the Management Board in 2021 and 2020, each with a breakdown of the relative shares

Given that a compensation system for members of the Management Board was not in place for the 2021 reporting year, there is no need for an explanation of how the individual compensation components relate to the authoritative compensation system, how the Company's long-term development is promoted by this compensation and by which method the performance criteria were applied.

### 4. Comparative presentation of Management Board compensation (Section 162 (1) sentence 2 no. 2 AktG)

The following overview presents – pursuant to Section 162 (1) sentence 2 no. 2 AktG – the relative development of compensation granted and owed to members of the Management Board in the respective financial year in comparison to the development of TSC AG's earnings and the average compensation of employees on a full-time equivalent basis.

According to the transitional arrangement under Section 26j (2) sentence 2 Introductory Act to the German Stock Corporation Act (EGAktG) for the 2021 financial year and in deviation to Section 162 (1) sentence 2 no.2 AktG, the Compensation Report does not yet cover a five-year assessment period.

	2021	2020	Total change	Relative change
	in kEUR	in kEUR		
Average compensation of an employee	80,57	60,42	20,15	25,01%
Compensation of active board member (paid and owed, incl. SOP)				
Wanja S. Oberhof	318	1034,2	-716,2	-225,22%
Christian Senitz	725,9	0	725,9	100,00%
Ralf Dümmel	46	0	46	100,00%
Company result for the year (HGB)	- 29.948	- 6.684	- 23.264	-348%
consolidated Group-EBITDA (IFRS)	- 22.978	- 7.389	- 15.589	-211%

Figure 2 - Average compensation paid to employees of TSC AG in 2020 and 2021 and comparison with the development of Management Board compensation and earnings

The average compensation paid to the employees included in the above table was determined on the basis of equivalent full-time employees of TSC AG in order to ensure comparability with the full-time members of the Management Board. All employees of TSC AG during the respective reporting year were therefore included. Earnings development is presented both on the basis of the development of the annual result according to Section 275 (2) no. 17 German Commercial Code (HGB) and on the basis of the consolidated Group EBITDA (IFRS). The consolidated Group EBITDA (IFRS) in particular will be a key benchmark for the variable compensation of Management Board members under the new compensation system for the Management Board. This will establish a comparison basis for reporting in subsequent years, ensuring that the Compensation Report is presented consistently.

##### 5. Number of shares and stock options granted or promised and the main conditions for exercising the rights, including exercise price, exercise date and any changes to these conditions (Section 162 (1) sentence 2 no. 3 AktG)

The following table shows the stock options issued to members of the Management Board in the 2021 reporting year according to the individual SOP in place at TSC AG at the time of issue.

For reasons of transparency, stock options issued to current members of the Management Board under existing SOPs at TSC AG prior to the 2021 reporting year are also listed in order to ensure a uniform presentation of the development of the granted or promised stock options for future compensation reports, including a presentation of the stock options using a development chart.

In addition, the list below also includes those stock options which, although neither granted nor already owed due to lack of maturity, have already been "promised" to the relevant Management Board member within the meaning of Section 162 (1) sentence 2 no. 3 AktG. Therefore, only the actual number of "promised" stock options can be

shown, as further details such as exercise price and earliest exercise period are only available at the time of the actual granting.

Executive Board Member	Main terms of the SOPs							Information regarding the respective financial year of the granting of options					
	1 SOP	2 Period of performance	3 Granting date	4 Vesting date	5 Earliest date of execution	6 Last date of execution	7 Strike Price	8 Begin of year	9 During year		10 End of year		
								8 Options held at begin of year	9 Granted options	10 Options vested during year	11 Options granted under performance related conditions	12 Granted and unvested options	13 Granted options still under a waiting period for execution
Wanja Oberhof	Lumaland SOP 2017	n/a	18.07.19	with granting	18.07.23	17.07.29	8,13	---	60.000	60.000	190.000	---	190.000
	Social Chain SOP 2019	n/a	16.10.19	with granting	16.10.23	15.10.29	15,7	---	130.000	130.000	---	---	---
	Social Chain SOP 2020	n/a	23.12.20	with granting	21.12.24	22.12.30	25,77	190.000	70.000	70.000	260.000	---	260.000
	Social Chain SOP 2021	---	---	---	---	---	---	---	---	---	---	---	---
Christian Senitz	Social Chain SOP 2021	n/a	27.09.21	successive vesting over a period of 18 months from granting	27.09.25	26.09.31	42,11	---	50.000	8.333	50.000	41.667	50.000
Ralf Dümmel	Granting of 50.000 options in accordance with the terms of a future SOP plan has been contractually agreed, but has not been executed yet												

Figure 3 - Issue of stock options for Management Board

The stock options granted in the 2021 financial year were issued by the Supervisory Board in accordance with the resolution of the Annual General Meeting of TSC AG on 30 July 2021 and on the basis of the "Social Chain Stock Option Plan 2021 for Management Board Members" ("SOP 2021"), as adopted by the Supervisory Board on 27 September 2021.

The most important provisions for the issue of stock options to Management Board members, as set out in the SOP 2021, can be summarised as follows:

under the approval resolution of the Annual General Meeting of TSC AG, a total of up to 50,000 stock options can be issued to members of the Management Board.

The exercise price to be paid upon exercise of the individual stock option corresponds to the average, volume-weighted Social Chain share price during the last 10 stock exchange trading days prior to the relevant issue date; the weighting is based on the total trading volume of the relevant stock exchange trading days at the trading venue defined below. However, the exercise price corresponds at least to the pro rata amount of the TSC AG share capital attributable to one Social Chain share (Section 9 (1) AktG).

The "Social Chain share price" as defined by the option terms and conditions shall be the individual closing price of the Social Chain share at the trading venue on which the Social Chain share is predominantly traded ("trading venue"); the Supervisory Board shall determine this trading venue by resolution. The volume weighting is based on the total trading volume of the respective exchange trading days at the trading venue.

The exercise of the issued stock options is subject to a special exercise requirement in the form of a share price-based performance target. In this regard, the option terms and conditions stipulate that the stock options can only be exercised if the average, volume-weighted Social Chain share price during the last 10 stock market trading days prior to the beginning of the respective exercise period exceeds the exercise price determined in the context of the option grant by at least 20%.

The stock options issued under the SOP 2021 can be exercised for the first time after the expiry of at least four years from the respective date of issue.

The stock options issued have a maximum term of ten years from their respective issue date; stock options not effectively exercised expire without compensation at the end of the respective term.

The grant letters may, at the discretion of the Supervisory Board, contain extended provisions on the forfeitability of stock options already granted but not yet exercised.

Moreover, the SOP 2021 contains a provision to limit the maximum proceeds achievable from the exercise of stock options in order to protect against extraordinary developments. If the percentage increase of the Social Chain share price within the last three months prior to the respective exercise period is more than 50% and if the percentage increase of the index in which the Social Chain shares are included (the index in which the Social Chain shares are most numerous, alternatively the TecDAX, is the applicable one) is not at least 2/3 of the increase in the Social Chain share price in the same period, there is a limitation on the value of the new Social Chain shares which are issued to an eligible person in an exercise period ("**cap**"). The cap corresponds to twice the amount of the annual gross compensation (including all fringe benefits subject to income tax such as company cars, etc.) which the eligible person has received from TSC AG in the last twelve months before the exercise date. In the event of an application of the cap, only as many new Social Chain shares will be granted whose cumulative Social Chain share price on the exercise date does not exceed the cap ("**reduced number of shares**"). There is no compensation for the difference between the cumulative Social Chain share price on the exercise date and the cap. In the event of alternative performance, the reduced number of shares is used accordingly.

#### **6. Disclosures on the clawback of variable compensation components (Section 162 (1) sentence 2 no. 4 AktG)**

The existing employment contracts for current Management Board members do not include any provisions for the possible clawback of variable compensation components. Accordingly, no variable compensation components were clawed back.

#### **7. Further disclosures on compensation for Management Board members (Section 162 (1) sentence 2 nos. 5 to 7 and Section 162 (2) nos. 1 to 4 AktG)**

A compensation system for the members of the Management Board, upon which the Annual General Meeting of TSC AG would have been required to pass a resolution pursuant to Section 120a (1) AktG, was not in place for the 2021 reporting year, so that any presentation of deviations between actual compensation and the TSC AG compensation system will only be available in the compensation report for the 2022 financial year (Section 162 (1) sentence 2 no. 5 AktG).

A compensation report, upon which the Annual General Meeting of TSC AG would have been required to pass a resolution pursuant to Section 120a (4) AktG, was not prepared in the 2021 reporting year (for the 2020 financial year). Therefore, this first compensation report of TSC AG also does not include an explanation as to how the resolution adopted by the Annual General Meeting was taken into account pursuant to Section 120a (4) AktG or the discussion pursuant to Section 120a (5) AktG (Section 162 (1) sentence 2 no. 6 AktG).

A cap on the maximum compensation paid to Management Board members was not yet introduced for the 2021 reporting year, so that an explanation of compliance with this cap is not required (Section 162 (1) sentence 2 no. 7 AktG).

No benefits were promised by a third party to Management Board members in relation to their activities as a Management Board member during the 2021 reporting year, nor were such benefits granted in the reporting year (Section 162 (2) no. 1 AktG).

No benefits were promised to a Management Board member for the premature termination of their activities during the 2021 reporting year. Moreover, there were no agreements on changes to any such promises during the past financial year (Section 162 (2) no. 2 AktG).

No benefits were promised to a Management Board member for the regular termination of their activities during the 2021 reporting year. Moreover, there were no agreements on changes to any such promises during the past financial year (Section 162 (2) no. 3 AktG).

In the 2021 reporting year, no benefits were promised in this regard to former Management Board members who terminated their activities during the past financial year, nor were such benefits granted during the past financial year (Section 162 (2) no. 4 AktG).

### C. Compensation for the Supervisory Board

#### 1. Compensation principles applying to the Supervisory Board

The Supervisory Board contributes to the promotion of the business strategy and the long-term development of the Company by monitoring the management of the Management Board, which is its responsibility. The compensation paid to the members of the Supervisory Board adequately takes into account their respective responsibilities.

The compensation paid to the members of the Supervisory Board is determined in accordance with Section 10 (1) of the TSC AG Articles of Association by resolution of the Annual General Meeting. The Annual General Meeting of TSC AG last fixed the compensation payable to the members of the Supervisory Board by resolution dated 19 August 2019.

#### 2. Compensation for the members of the Supervisory Board (Section 162 (1) sentence 2 no. 1 AktG)

The members of the Supervisory Board receive a fixed annual compensation and the reimbursement of their expenses, including value added tax incurred by them for their Supervisory Board activities. The compensation is payable to the members of the Supervisory Board in four equal instalments at the end of each calendar quarter. If members of the Supervisory Board withdraw from the Supervisory Board in the course of a financial year, they will receive the compensation pro rata temporis.

Further compensation-related benefits – such as separate attendance fees – are not granted.

A variable compensation component is not provided for and is not granted.

The following table shows the compensation granted and due to the members of the Supervisory Board in the 2021 financial year.

	Dr. Georg Kofler (Chairman) since August 28, 2018				Henning Giesecke (Deputy Chairman) since August 19, 2019				Henrike Luszick since Mai 11, 2020			
	2020		2021		2020		2021		2020		2021	
	in kEUR	in %	in kEUR	in %	in kEUR	in %	in kEUR	in %	in kEUR	in %	in kEUR	in %
Fixed compensation	50	100,00%	50	100%	50	100%	50	100%	50	100%	50	100%
Expenses	0		0		1,4		1,2		0		0	
Variable Compensation	0	0,00%	0	0%	0	0,00%	0	0%	0	0,00%	0	0%
Overall Compensation	50	100%	50	100%	50	100%	50	100%	50	100%	50	100%

Figure 4 - Compensation for the Supervisory Board in 2020 and 2021

Compensation was neither granted nor owed to previous members of the TSC AG Supervisory Board in the 2021 reporting year.

#### 3. Comparative presentation of Supervisory Board compensation (Section 162 (1) sentence 2 no. 2 AktG)

The following overview presents – pursuant to Section 162 (1) sentence 2 no. 2 AktG – the relative development of compensation granted and owed to members of the Supervisory Board in the respective financial year in comparison to the development of the Company's earnings and the average compensation of employees on a full-time equivalent basis.

According to the transitional arrangement under Section 26j (2) sentence 2 Introductory Act to the German Stock Corporation Act (EGAktG) for the 2021 financial year and in deviation to Section 162 (1) sentence 2 no.2 AktG, the Compensation Report does not yet cover a five-year assessment period.

	2021	2020	Total change	Relative change
	in kEUR	in kEUR		
Average compensation of an employee	80,57	60,42	20,15	25,01%
Compensation of supervisory board member (paid and owed)				
Dr. Georg Kofler	50	50	0	0,00%
Henning Giesecke	50	50	0	0,00%
Henrike Luszick	50	50	0	0,00%
Company result for the year (HGB)	- 29.948	- 6.684	- 23.264	-348%
consolidated Group-EBITDA (IFRS)	- 22.978	- 7.389	- 15.589	-211%

Figure 5 - Average compensation paid to employees of TSC AG in 2020 and 2021 and comparison with development of Supervisory Board compensation and earnings

The benchmark figures for average employee compensation were determined in an identical manner as for the comparative presentation of Management Board compensation (refer in this regard to Section B.4. of this Compensation Report).

Earnings development is presented both on the basis of the development of the annual result according to Section 275 (2) no. 17 German Commercial Code (HGB) and on the basis of the consolidated Group EBITDA (IFRS).

#### 4. Further disclosures on the compensation for Supervisory Board members (Section 162 (1) sentence 2 nos. 3 to 7)

No share-based or variable compensation was granted or promised to any member of the Supervisory Board (Section 162 (1) sentence 2 no. 3 AktG). It follows, therefore, that there was no clawback of variable compensation (Section 162 (1) sentence 2 no. 4 AktG). There were also no deviations in the reporting period from the compensation paid to the Supervisory Board as resolved by the Annual General Meeting in accordance with Section 10 (1) of the TSC AG Articles of Association (cf. Section 162 (1) sentence 2 no. 5 AktG).

A compensation report, upon which the Annual General Meeting of TSC AG would have been required to pass a resolution pursuant to Section 120a (4) AktG, was not prepared in the 2021 reporting year (for the 2020 financial year). Therefore, this first compensation report of TSC AG also does not include an explanation as to how the resolution adopted by the Annual General Meeting was taken into account pursuant to Section 120a (4) AktG or the discussion pursuant to Section 120a (5) AktG (Section 162 (1) sentence 2 no. 6 AktG).

A cap on the maximum compensation paid to Supervisory Board members was not introduced, so that an explanation of compliance with this cap is not required (Section 162 (1) sentence 2 no. 7 AktG).

Berlin, April 20, 2022

Management Board

Supervisory Board

**Independent auditor's report on the audit of the content of the remuneration report prepared pursuant to sec. 162 AktG**

To The Social Chain AG, Berlin

**Audit opinion**

We have audited the remuneration report of The Social Chain AG for the fiscal year from 1 January 2021 until 31 December 2021 on formal aspects, whether the disclosures pursuant to sec. 162 AktG (*German Stock Corporation Act*) have been made in the remuneration report. In accordance with sec. 162 para. 3 AktG we have not audited the remuneration report substantially.

We have come to the conclusion that the disclosures pursuant to sec. 162 para. 1 and 2 AktG are made in the remuneration report in all material respects. Our audit opinion does not cover the substantial content of the audit report.

**Basis for the audit opinion**

We conducted our audit of the remuneration report in accordance with sec. 162 para. 3 AktG, taking into account the IDW auditing standard: The audit of the remuneration report in accordance with sec. 162 para. 3 AktG (IDW PS 870(08.2021)). Our responsibilities under these provisions and this standard are further described in the "Auditor's responsibilities" section of our report below. As an auditing practice, we have applied the requirements of the IDW quality assurance standard: Requirements for quality assurance in auditing practice (IDW QS 1). We have complied with the professional duties according to the auditor regulations and the professional statutes for auditors / chartered accountants, including the requirements for independence.

**Responsibility of the management board and the supervisory board**

The management board and the supervisory board are responsible for the preparation of the remuneration report, including the related disclosures, which meets the requirements of sec. 162 AktG. They are also responsible for those internal controls that they consider necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement - whether intentional or unintentional.

**Auditor's responsibilities**

Our objective is to obtain reasonable assurance as to whether the disclosures in accordance with sec. 162 para. 1 and 2 AktG have been made in the remuneration report in all material respects, and to express an audit opinion thereon in a note.

We planned and performed our audit so that we can determine the formal completeness of the remuneration report by comparing the information provided in the remuneration report with the information required in sec. 162 para 1. and para. 2 AktG. In accordance with sec. 162 para. 3 AktG, we have not audited the accuracy of the information, the completeness of the individual information or the appropriate presentation of the remuneration report.

Frankfurt am Main, this 27 April 2022

RSM GmbH  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft

D. Hanxleden  
Auditor

A. Kramer  
Auditor

**IV.**

**Note to agenda item 10**

**Remuneration system for the Board members of the The Social Chain AG**

**A. Introduction**

On 20 April 2022, the Supervisory Board of The Social Chain AG adopted the remuneration system for the members of the Executive Board described below. The remuneration system came into force with the resolution and applies to all service contracts with Executive Board members to be newly concluded and extended from 1 May 2022. The service contracts already concluded with the currently acting Executive Board members (the "old contracts") remain

unaffected by this in accordance with the legal provision in §26j para. 1 sentence 3 2nd half sentence of the Introductory Act to the German Stock Corporation Act (EAGtG).

This remuneration system will be submitted to the Annual General Meeting of the Company to be held on 8 June 2022 for approval by resolution.

#### **B. Procedure for the determination and implementation of the remuneration system**

The Supervisory Board is responsible for the remuneration of the members of the Executive Board. If necessary, the Supervisory Board may call in external remuneration experts to assist it, and it must ensure that they are independent.

In determining and implementing the remuneration system and in its constant review, the Supervisory Board observes the provisions of the German Stock Corporation Act, the German Corporate Governance Code (as amended from time to time) and its rules of procedure for avoiding and dealing with conflicts of interest. In the event of any conflicts of interest arising in the Supervisory Board, the Supervisory Board members concerned shall abstain from voting on the resolutions concerning the relevant agenda items in the Supervisory Board and in the respective committees.

#### **C. Principles for the remuneration of the Executive Board**

When determining the remuneration of the Executive Board by the Supervisory Board, the tasks and performance of the individual Executive Board members, the situation of the company and the customary level of remuneration are taken into account. For example, professional experience, responsibility and scope of activity of the individual Executive Board members are included in the decision. The Supervisory Board will also make vertical and horizontal comparisons of remuneration. The vertical comparison of remuneration is made against the remuneration of senior management and the workforce as a whole. The horizontal comparison refers to the Executive Board remuneration of comparable companies.

In assessing the remuneration, the Supervisory Board is guided in particular by the following aspects:

- The members of the Executive Board shall be encouraged to work towards the achievement of the strategic corporate goals. These focus on (i) ensuring sustainable and long-term corporate development and value enhancement, (ii) increasing market share and further growth, (iii) expanding global presence, especially in selected growth markets, and (iv) pursuing social and environmental sustainability goals, which include, in particular, increasing efficiency in the use of energy and raw materials.
- In particular, the long-term variable remuneration, which is based on a multi-year assessment basis, is an essential component of the remuneration structure, which is intended to support the sustainable and long-term development of the company and the business strategy through long-term behavioural incentives.

- Remuneration shall always take into account the size and economic situation of the company.
- Remuneration should be commensurate with the individual performance contribution of each Executive Board member; this implies that special achievements are rewarded with a correspondingly higher remuneration, while missing performance targets leads to noticeable reductions in the amount of remuneration.
- Compared to companies of a similar size, the remuneration should be attractive in order to attract and retain particularly qualified board members in the long term.
- The remuneration should contribute to a harmonisation of the interests of the members of the Executive Board with those of the shareholders and other stakeholders. The variable, performance-based remuneration components are therefore of major importance.

In accordance with these principles, the Supervisory Board determines the structure of the Executive Board's remuneration and determines the amount and proportional weighting of the individual remuneration components with the aim of ensuring the appropriateness of the remuneration. The remuneration of the Executive Board members thus makes an important contribution to the promotion of the business strategy and the long-term development of the company.

#### **D. Structure and components of the remuneration system**

The remuneration comprises both non-performance-related, fixed components and performance-related, variable components. It consists of three main components: an annual fixed salary including customary fringe benefits such as a company car for business and private use and insurance benefits ("**fixed salary**"), an annual bonus as a short-term, performance-related remuneration component or *short term incentive* ("**STI**") and a further variable remuneration component in the form of stock options in accordance with stock option plans ("**SOP**").

##### **1. Maximum remuneration**

The total remuneration to be granted for the financial year, i.e. the maximum achievable remuneration of a member of the Executive Board in a financial year, is limited as follows:

Fixed salary plus STI	EUR 1,000,000
SOP	EUR 5,000,000
Total maximum remuneration	<b>EUR 6,000,000</b>

The determination of the maximum remuneration merely sets an absolute upper limit in order to avoid disproportionately high Executive Board remuneration in unforeseeably good financial years, for example. It is in no way the total amount of



remuneration for the members of the Executive Board sought by the Supervisory Board.

## 2. Explanation of the remuneration components

### 2.1. Fixed salary

The fixed salary is a fixed cash remuneration paid to the Executive Board member in 12 equal monthly instalments, for the last time for the month in which the employment contract ends. If the member joins or leaves during the year, payment is made *pro rata temporis*.

In the event of temporary incapacity to work due to illness, accident or any other cause for which the Executive Board member is not responsible, the fixed salary shall continue to be paid for a period of three (3) months, but no longer than until the contractually agreed end of the employment relationship, taking into account any claims for damages in connection with the incapacity to work.

As a fringe benefit, each member of the Executive Board can be provided with a company car, also for private use. Furthermore, there is a D&O insurance policy in line with the market. Within the framework of the D&O insurance, the Executive Board members are granted the right to be included in the insurance cover at the expense of the company with a deductible in the minimum amount prescribed in § 93 para. 2 sentence 3 AktG.

Other insurances (e.g. accident, death) may also constitute a fringe benefit. Furthermore, the member of the Executive Board shall be reimbursed for expenses, e.g. for business trips, representation and hospitality of business partners, within the limits of what is reasonable and permissible under tax law.

The Company does not grant any pension or retirement benefit entitlements to Executive Board members in their service contracts.

In addition, the service contracts may also provide for subsidies for health and long-term care insurance.

### 2.2. Short-term variable remuneration (STI)

As short-term variable remuneration, the members of the Executive Board receive a performance and success-based bonus (STI). The STI is based on the measurable success of the company in the past financial year and the achievement of individual targets. In the event of full target achievement (100%), a fixed gross amount is set as the target bonus. In the case of incomplete target achievement, the bonus is granted on a pro rata basis according to the degree of target achievement.

The basis for this is an agreement on objectives set by the Supervisory Board at its due discretion, which includes several individual objectives.

The Supervisory Board sets the individual targets on the basis of the approved annual budget of the company for the entire Group before the beginning of the financial year for which the short-term variable remuneration is granted. The individual targets to be

set are financial (operational and strategic) targets, such as turnover, Ebitda, cash flow, liquidity or profit after tax. Operational and strategic targets must always account for at least 2/3 of the achievable target bonus.

The Supervisory Board may also award personal non-quantifiable targets and/or one or more sustainability targets as non-financial individual targets to Executive Board members, whereby the quantifiable targets must always account for at least 2/3 of the achievable bonus.

When setting the targets, the Supervisory Board will also determine lower limits, the non-achievement of which will not result in the granting of variable remuneration in relation to this individual target. The target achievement between the lower limit and the target is calculated on a straight-line basis.

The annual [short-term] variable remuneration may not exceed the fixed basic salary. Incidentally, the total annual remuneration also includes the long-term variable remuneration.

The amount of the annual short-term variable remuneration is determined and decided by the Supervisory Board after the end of the financial year based on the target achievement of the respective member of the Executive Board. If the employment contract ends during the financial year, the amount of the STI is determined pro rata temporis.

A subsequent change of the target values or comparison parameters is excluded. However, the right of the Supervisory Board to take into account extraordinary developments within an appropriate framework remains unaffected.

### 2.3. Long-term variable remuneration (share option plans)

The members of the Executive Board receive share options as long-term variable remuneration. Based on the authorisations granted by the Annual General Meeting in 2017, 2019, 2020 and 2021, the company has set up stock option plans (SOP) for Executive Board members, managers and employees. It is the intention of the Executive Board and the Supervisory Board to issue further SOPs upon expiry of these SOPs or for the purpose of issuing further share options and to submit these to the Annual General Meeting for approval.

Motivated employees and managers are one of the essential prerequisites for the success of a company. With share options (subscription rights to shares), such motivation can also be created for the members of the Executive Board. They receive an incentive to increase the share price of the company - and thus the value of the company. A medium to long-term remuneration component, as represented by the granting of stock options, therefore serves both to recruit Executive Board members who are willing to perform and to bind Executive Board members to the company in the medium and long term. The Supervisory Board therefore considers the means of stock options to be a suitable long-term remuneration component, which also preserves the liquidity of the company.

The members of the Executive Board receive a fixed number of options from the SOP, the exercise price of which is based on the weighted average price of the share in a

fixed period before the grant. The option can be exercised at the earliest after four (4) and at the latest after ten years from the respective grant date. There are special contractual provisions in case of resignation of Executive Board members before a period determined by the Supervisory Board in individual cases (*vesting period*). The vesting period is intended to ensure that the respective beneficiary Executive Board member is permanently available to the company over a longer period of time in order to create a long-term incentive and motivation.

When structuring the concrete option conditions for the members of the Executive Board, the Supervisory Board provides for a possibility of limitation (cap) for extraordinary developments.

The concrete option conditions will additionally provide for provisions limiting the exercise of the stock options per financial year to a maximum value, so that compliance with the maximum remuneration decided under this remuneration system is ensured.

Furthermore, the Supervisory Board will structure the specific option conditions for the Executive Board members in such a way that exercise is only possible within precisely defined exercise periods and only after the achievement of precisely defined performance targets, usually by setting a minimum increase in the share price compared to the issue price.

The Supervisory Board is of the opinion that the issue of genuine share options provides a long-term incentive option for the members of the Executive Board to successfully implement the adopted business strategy on a permanent and sustainable basis. The legally prescribed waiting period until the first exercise of four full years ensures that the members of the Executive Board do not exclusively pursue short-term performance goals, but have sufficient incentive to pursue long-term and thus sustainably effective performance goals.

### **3. Determination of the structure and amount of the target total remuneration; Relative share of the remuneration components in the target total remuneration**

For the Executive Board members, the annual target total remuneration is the sum of (i) the fixed salary, (ii) the STI (in case of 100% achievement of all bonus targets) and (iii) the potential accretion from the sale of shares acquired by the Executive Board member due to the exercise of stock options under the SOPs.

The annual inflow of value for Executive Board members due to the sale of shares acquired by the Executive Board member as a result of the exercise of stock options under the SOPs can vary widely. This is due, among other things, to the uncertainties regarding the number of stock options granted, the achievement of the performance targets for the stock options granted, the general share price development of The Social Chain AG and the individual preferences of the Executive Board member regarding the exercise of stock options and the sale of the acquired shares of The Social Chain AG. For the purpose of determining this inflow of value to determine the maximum remuneration under this remuneration system, the following assumptions were therefore made as examples: (i) annual exercise of 50,000 stock options after achievement of the performance targets and subsequent immediate sale of the acquired shares of The Social Chain AG, (ii) exercise price (i.e. price of the share of

The Social Chain AG at grant) of EUR 20.00 and (iii) annual linear price growth at a price at exercise of EUR 120.00. The actual inflows of value may deviate considerably from this calculation example.

Under these assumptions, the relative shares of the respective remuneration components in the maximum remuneration for Executive Board members should approximate:

- Fixed remuneration: approx. 8.33%

- Short-term variable annual remuneration (STI): approx. 8.33

- Long-term variable remuneration through share options: approx. 83%.

The Supervisory Board determines the fixed remuneration in accordance with the remuneration system when the Executive Board employment contract is concluded. The STI (payable at 100% upon achievement of all bonus targets) is granted annually by concluding a target agreement. The granting of stock options under the SOP is done annually by concluding a grant agreement. In accordance with the recommendation of the German Corporate Governance Code, the Supervisory Board ensures that the long-term variable remuneration components exceed the short-term ones when determining the variable remuneration.

### **4. Appropriateness of the remuneration**

When determining the individual remuneration components, the Supervisory Board shall ensure that the target total remuneration is commensurate with the tasks and performance of the Executive Board member. The Supervisory Board may take into account the qualifications and experience as well as the function and area of responsibility of the individual Executive Board members when determining the amount of the total remuneration. It also takes into account the economic situation, the future business strategy and the success of the company. The Supervisory Board shall ensure that the remuneration is in line with the market.

The Supervisory Board uses a suitable comparison group (horizontal comparison) to determine the appropriateness of the remuneration in order to be able to make a so-called peer group comparison]. The Supervisory Board has selected companies of similar size listed in the Prime Standard of the Frankfurt Stock Exchange as a peer group. In order to specify the peer group, the Supervisory Board pays attention to different comparison criteria and uses the horizontal comparison with caution so that there is no automatic upward trend. Market capitalisation, number of employees and turnover serve as comparison criteria.

In addition, a comparison is also made with senior management and the workforce as a whole (vertical comparison). For this purpose, the Supervisory Board has defined a senior management group. This upper management group consists of managing directors and senior executives. Their salary structure is also taken into account in the development over time.

## 5. Explanation of further (remuneration-related) contractual regulations

### 5.1. Clawback and other repayments of remuneration

In addition to the provisions pursuant to § 87 para. 2 AktG, the following shall apply in the event that the member of the Executive Board intentionally commits a material breach of duty in his or her capacity as a member of the Executive Board, namely the violation of

- a duty of care within the meaning of § 93 AktG,
- an obligation under the employment contract, or
- other fundamental principles of the company, for example in accordance with the Code of Conduct or Compliance Guidelines, as well as all applicable written guidelines,

that the Supervisory Board of the company may reduce ("**malus**") the unpaid variable remuneration granted for the financial year in which the breach occurred, in part or in full (i.e. to zero), at its reasonable discretion (§ 315 BGB). In the event of a wilful breach of a material duty, the Supervisory Board may also, at its reasonable discretion (§ 315 BGB), demand the **return of** all or part of the gross amount of variable remuneration already paid out ("**clawback**") for the financial year in which the breach occurred.

A clawback is not permissible if a breach of duty occurred after the end of the employment contract. A clawback can therefore only be based on breaches during the term of the employment contract.

Furthermore, the Executive Board member must repay variable remuneration already paid out if and to the extent that it becomes apparent after payment that the audited and approved consolidated financial statements on which the calculation of the payment amount was based were incorrect and must therefore be corrected in accordance with the relevant accounting standards and, on the basis of the corrected, audited consolidated financial statements and the relevant remuneration system, a lower payment amount or no payment amount at all would have been owed from the variable remuneration.

Fault on the part of the Executive Board member is not required. A claim for repayment cannot be asserted if the end of the financial year in question was more than five years ago.

### 5.2. Crediting of remuneration from secondary employment

The mandate remuneration from any Group-internal Supervisory Board mandates or other dual mandates is offset against the Executive Board remuneration.

If a member of the Executive Board wishes to assume a Supervisory Board mandate outside the Group with the approval of the Supervisory Board, the Supervisory Board shall decide within the framework of the required approval decision whether the external remuneration shall be offset against the Executive Board remuneration. In doing so, the Supervisory Board will be guided in particular by the expected time spent on the Supervisory Board mandate outside the group.

### 5.3. Terms of service contracts / termination rules

In accordance with the German Corporate Governance Code, employment contracts for Executive Board members are generally concluded for a maximum of 3 years upon initial appointment. In the case of reappointment, the term can be a maximum of 5 years.

If a member of the Executive Board is dismissed as a member of the Executive Board before the expiry of his or her term of appointment, the employment contract shall also end at the same time. In this case, the Executive Board member is entitled to a severance payment. Variable remuneration components attributable to the period up to the termination of the contract are paid out in accordance with recommendation G.12 of the DCGK in the event of termination of an Executive Board contract according to the originally agreed targets and comparison parameters and according to the due dates or holding full stops specified in the contract. All payments shall not exceed the value of two years' remuneration and shall not remunerate more than the remaining term of the employment contract. Stock options under the SOP shall not be granted from the date of dismissal. In the event of extraordinary termination of the employment contract, no remuneration shall be paid from the date of termination.

If a member of the Executive Board resigns from his Executive Board mandate, the entitlement to remuneration from the employment contract shall also end at the same time.

Termination rights or special benefits in the event of a (majority) *change of ownership (change of control)* are not agreed.

### 5.4. Non-compete agreements

Members of the Executive Board may not work for other companies during the term of their employment contract without the consent of the Company.

The employment contract may also contain post-contractual non-competition clauses in return for the payment of a corresponding waiting allowance. If a post-contractual non-competition clause is agreed, the compensation for non-competition shall be taken into account for a severance payment due to the termination of the employment contract.

The Supervisory Board may, by resolution, grant exceptions or exemptions from the non-competition clause in justified individual cases if this is possible without disadvantages for the Company in the individual case.

## **E. Review of the remuneration system and deviations**

The remuneration system for the members of the Executive Board of The Social Chain AG is determined by the Supervisory Board of the company. The remuneration system is reviewed by the Supervisory Board regularly every two years. The remuneration system for the members of the Executive Board shall be resubmitted to the General Meeting for approval whenever there is a significant change, but no later than after four years. If the general meeting does not approve the remuneration system, the Supervisory Board shall submit a revised remuneration system for the members of the Executive Board for approval at the latest at the following ordinary general meeting.

The Supervisory Board reserves the right to temporarily deviate from this remuneration system if there are special reasons and this is in the interest of the long-term well-being of the company (e.g. changed incentive setting for variable remuneration in the event of a changed business strategy, special crisis situation).

Procedurally, such a deviation requires an explicit resolution of the Supervisory Board in which the duration of the deviation as well as the deviation as such and the reason for it (i.e. why the long-term well-being of the company requires the deviation) are described in an appropriate form. The components of the remuneration system from which deviation is possible in exceptional cases are the procedure, the regulations on the remuneration structure and amount as well as the individual remuneration components and especially the performance criteria. Factually, the Supervisory Board may deviate from both the respective relative share of the individual remuneration components as well as their respective prerequisites. It may also temporarily set the basic remuneration differently in individual cases if this is in the interest of the long-term welfare of the company, but not exceed the maximum remuneration set by the general meeting.

## **V.**

### **Note to agenda item 11**

#### **Remuneration system for members of the Supervisory Board of The Social Chain AG**

##### **A. Principles of the remuneration system for Supervisory Board members**

Following implementation of the second European Shareholders' Rights Directive into German law, a remuneration system must also be developed for members of the Supervisory Board according to Section 113 (3) AktG and submitted for a vote by the Annual General Meeting.

The structure of Supervisory Board remuneration adheres to the following guidelines: The fixed remuneration ensures that the Supervisory Board can exercise its control and advisory function independently and detached from the short-term success of The Social Chain AG. The Supervisory Board can therefore focus primarily on its activities with regard to promoting the business strategy and long-term development of The Social Chain AG.

The amount of remuneration is commensurate with the position of The Social Chain AG.

The provisions of the German Stock Corporation Act and recommendations for the remuneration of Supervisory Board members in the German Corporate Governance Code provide a regulatory framework for the remuneration system.

##### **B. Procedure for determining and implementing the remuneration system**

The remuneration system and specific emolument of the Supervisory Board members shall be determined by the Annual General Meeting, which shall pass a resolution on the remuneration of the members of the Supervisory Board at least every four years in accordance with Section 113 (3) AktG. A confirmatory resolution shall be admissible and require a simple majority of votes. Where a confirmatory resolution is not passed, a revised remuneration system shall be presented for resolution at the following Annual General Meeting at the latest.

Article 10 (1) of the Articles of Association of The Social Chain AG stipulates that each member of the Supervisory Board shall receive appropriate remuneration to be determined by resolution of the Annual General Meeting.

The Annual General Meeting last fixed the compensation payable to the members of the Supervisory Board by resolution dated 19 August 2019.

Management conducts a regular review of the remuneration paid to the Supervisory Board. In particular, this review considers the time required, the scope of the tasks to be performed and the financial position of the Company, as well as the compatibility of the remuneration with any new legal requirements, the recommendations of the German Corporate Governance Code, expectations of the capital market and the relative appropriateness of the remuneration. The Management Board and Supervisory Board will present a revised remuneration system to the Annual General Meeting if they see reasons for a change.

Conflicts of interest in connection with the Supervisory Board's remuneration system have not occurred in the past. The assignment of competences under law counteracts any potential conflicts of interest in reviewing the remuneration system, as the final decision-making authority on the remuneration of the Supervisory Board is assigned to the Annual General Meeting and proposed resolutions are submitted by both the Management Board and the Supervisory Board, which is consistent with the system of dual control that is stipulated by law. The general rules for conflicts of interest shall otherwise apply, which state in particular that they must be disclosed and adequately dealt with.

In addition, the shareholders are entitled to place the remuneration system and remuneration for members of the Supervisory Board, including any proposed changes, on the agenda of an Annual General meeting or to submit corresponding (counter)motions, provided the legal conditions are met.

### C. Structure of the remuneration system for Supervisory Board members

The Management Board and the Supervisory Board have come to the conclusion, after a thorough review, that the remuneration for the members of the Supervisory Board remains commensurate with the tasks of the Supervisory Board members and the position of the Company.

Notwithstanding, the VAT to be reimbursed by the Company will only be in the amount to which it has actually been incurred to reflect changes in jurisprudence.

The members of the Supervisory Board receive, in addition to the reimbursement of their expenses, fixed compensation amounting to EUR 50,000.00 for individual members. VAT on this amount will only be paid to the extent that it has actually been incurred.

The compensation is payable to the members of the Supervisory Board in four equal instalments at the end of each calendar quarter.

If members of the Supervisory Board leave the Supervisory Board in the course of a financial year, they receive the compensation pro rata temporis.

Moreover, members of the Supervisory Board are reimbursed for their expenses incurred in connection with their work for The Social Chain AG.

No other emolument components are paid to the members of the Supervisory Board; this applies in particular to meeting or committee fees. There are also no plans for remuneration in the form of variable, performance-based emolument components.

## VI.

### Further information on the convocation

#### Total number of shares and voting rights at the time of convening the Annual General Meeting

At the time of convening the Annual General Meeting, the Share Capital of the Company amounts to EUR 15,527,775.00, divided into 15,527,775 no-par value shares. As a rule, each no-par value share is equivalent to one vote at the Annual General Meeting. The Company holds no treasury shares, either for itself or through third parties acting on its behalf, at the time of convocation. The total number of shares with voting rights at the time of convocation is therefore 15,527,775.

### Information on holding the virtual Annual General Meeting

The Annual General Meeting shall be held, with the consent of the Company's Supervisory Board, as a virtual annual general meeting without the shareholders or proxies attending in person in accordance with the Act on Measures in the Law on Companies, Cooperatives, Associations, Foundations and Condominiums to Mitigate the Effects of the COVID 19 Pandemic (Art. 2 of the Act on Mitigating the Effects of the COVID 19 Pandemic in Civil, Insolvency and Criminal Procedure Law of 27 March 2020 (BGBl. I p. 569, 570), last amended and extended until 31 August 2022 by Art. 15 and 16 of the Act on the Establishment of a Special Fund "Reconstruction Assistance 2021" and on the Temporary Suspension of the Obligation to File an Insolvency Application due to Heavy Rainfall and Floods in July 2021 and on the Amendment of Other Acts of 10 September 2021 (BGBl. I p. 4147), ("COVID 19 Act").

The entire Annual General Meeting will be streamed live on 8 June 2022 from 13:00 (CEST) as an audiovisual broadcast to shareholders who are entered in the share register of the Company on the date of the Annual General Meeting and who have duly registered for the Annual General Meeting or have registered their proxies. The live stream can be accessed at the following internet address <https://socialchain.com/en/investor-relations/annual-general-meeting> in the Company's password-protected internet service for the Annual General Meeting. The broadcast does not constitute permission to participate in the Annual General Meeting within the meaning of Section 118 (1) sentence 2 AktG.

Shareholders wishing to exercise their shareholders' rights in relation to the virtual Annual General Meeting must register in advance (refer below to "*Requirements for the exercise of shareholders' rights in relation to the virtual Annual General Meeting*").

Neither shareholders nor their proxies will be permitted to attend in person. Therefore, shareholders or their proxies may exercise their voting rights exclusively by means of absentee ballot or by granting power of attorney to the proxies appointed by the Company.

#### Requirements for the exercise of shareholders' rights in relation to the virtual Annual General Meeting

Only those shareholders who are entered in the Company's share register on the date of the Annual General Meeting and whose registration has been received by the Company by midnight (CEST) on 1 June 2022 at the latest shall be entitled – personally or by proxy – to follow the virtual Annual General Meeting via the password-protected internet service and to exercise the other shareholder rights in relation to the virtual Annual General Meeting, in particular the voting right.

Pursuant to Section 67 (2) sentence 1 AktG, shareholders shall only be recognised as such in relation to the Company if they are entered in the share register. Kindly note that for technical reasons, no changes can be made to the share register from midnight (CEST), 2 June 2022, until midnight (CEST), 8 June 2022, the date of the Annual General Meeting. The registration status in the share register at midnight (CEST), 1 June 2022 (relevant reporting date, also referred to as the "technical record date"), shall therefore be authoritative for the exercise of shareholders' rights in relation to the virtual Annual General Meeting.

Buyers of shares whose applications for transfer are not received by the Company until after 1 June 2022 are therefore excluded from the exercise of shareholders' rights arising from these shares in relation to the virtual Annual General Meeting, in particular the voting right, unless they obtain authorisation or legal powers to exercise rights in this respect. In these cases, the shareholders' rights in relation to the virtual Annual General Meeting shall remain with the shareholder entered in the share register until such time as transfer is complete. All buyers of shares in the Company that are not yet entered in the share register are therefore requested to file applications for transfer in good time.

Shares are not blocked by registering for the virtual Annual General Meeting. Shareholders may therefore continue to dispose freely of their shares, even after registering for the Annual General Meeting. It is pointed out nonetheless pursuant to Section 405 (3) no. 1 AktG, that it is offence to use the shares of another person without due authorisation to exercise rights at the Annual General Meeting without that person's consent.

Intermediaries and shareholders' associations, proxy advisors as well as persons, institutions, companies or associations equivalent to these pursuant to Section 135 (8) AktG, require authorisation to exercise voting rights for shares which they do not own, but for which they are entered in the share register as holders. Section 135 AktG provides further details.

Shareholders must send their registrations in text form (Section 126b German Civil Code (BGB)) to the following postal address, fax number or email address, respectively:

The Social Chain AG

c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
Germany

or

Fax: +49 (0)89 889690633

or

Email: [socialchain@better-orange.de](mailto:socialchain@better-orange.de)

or from 10 May 2022 by electronic notification in the password-protected internet service at <https://socialchain.com/en/investor-relations/annual-general-meeting>.

In order to facilitate registration, a registration form will be sent to shareholders who are entered in the Company's share register no later than midnight (CEST) on 18 May 2022 together with the invitation to the virtual Annual General Meeting. This registration form is also available for download from the Company's internet page at <https://socialchain.com/en/investor-relations/annual-general-meeting>. In addition, it can be ordered free of charge from the Company, e.g. by sending an email to [socialchain@better-orange.de](mailto:socialchain@better-orange.de) or by calling +49 89 8896906 610.

Access permissions are needed in order to use the password-protected internet service. Shareholders who are entered in the Company's share register no later than midnight (CEST) on 18 May 2022 will be sent their personal login details together with the invitation to the virtual Annual General Meeting.

Shareholders who are not entered in the share register until after this deadline may nevertheless use the alternative options to register for the virtual Annual General Meeting. Where the form sent by the Company is not used for registration, the registering shareholder must be clearly identified, e.g. by stating the full name or the full company name of the shareholder, the address and the shareholder number. The Company will send the personal login details for the password-protected internet service to these shareholders after receiving their registration.

### **Procedure for proxy voting**

A shareholder may be represented by an intermediary, a shareholders' association, a proxy advisor or any other third party in exercising voting rights or other shareholder rights, in particular the right to ask questions, in connection with the virtual Annual General Meeting. This shall also be predicated upon entry in the share register and timely and proper registration of the shareholder or their proxy for the virtual Annual General Meeting. Proxies shall not be permitted to attend the Annual General Meeting in person, either. They may exercise the voting right for shareholders represented by them only by way of absentee ballot or by granting (sub-)power of attorney, e.g. to the proxies appointed by the Company. Where the shareholder authorises more than one person, the Company may reject one or more of these persons. Use of the password-protected internet service by a proxy is only possible if the proxy receives the corresponding login details.

The granting and withdrawal of proxy rights and their proof towards the Company shall require the text form (Section 126b BGB) if neither an intermediary nor a shareholders' association, a proxy advisor or a person, institution, company or association deemed equivalent to these parties pursuant to Section 135 (8) AktG is authorised.

Authorisations may be granted both before and during the Annual General Meeting. This may apply to declarations towards proxies and the Company. A form to grant powers of attorney will be sent to the shareholders together with the invitation to the virtual Annual General Meeting. Suitable forms are also available for download at <https://socialchain.com/en/investor-relations/annual-general-meeting>.

Where proxy powers are granted by declaration, proof of this authorisation must be presented to the Company. Proof of authorisation may be sent to the Company at the following postal address, fax number or email address:

The Social Chain AG

c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
Germany

or

Fax: +49 (0)89 889690633

or

Email: [socialchain@better-orange.de](mailto:socialchain@better-orange.de)

The above means of transmission are also available if proxy powers are granted by declaration towards the Company; no additional proof of proxy is required in this case. Granted proxies may also be withdrawn by direct declaration to the Company by the aforementioned means of transmission.

Where a proxy is granted or withdrawn by declaration to the Company or by sending proof of proxy to the Company by post to the aforementioned address, by fax to the aforementioned fax number or by email to the aforementioned email address, the declaration or proof must be received by the Company no later than midnight (CEST) on 7 June 2022 (time of receipt) for organisational reasons.

From 10 May 2022, proxy powers may also be granted or withdrawn by electronic notification in the password-protected internet service at <https://socialchain.com/en/investor-relations/annual-general-meeting> in accordance with the procedures established for this purpose. This opportunity to grant or withdraw proxy powers by means of the password-protected internet service at the address <https://socialchain.com/en/investor-relations/annual-general-meeting> is available until immediately before the start of voting at the virtual Annual General Meeting on 8 June 2022.

On 8 May 2022, the date of the virtual Annual General Meeting, proxy powers may only be granted, amended or withdrawn in the password-protected internet service at <https://socialchain.com/en/investor-relations/annual-general-meeting> in accordance with the procedures established for this purpose.

The personal login details required to use the password-protected internet service will be sent to the shareholders together with the invitation to the virtual Annual General Meeting.

The authorisation of an intermediary, a shareholders' association, a proxy advisor or any other person, institution, enterprise or association deemed equivalent to these parties pursuant to Section 135 (8) AktG does not require the text form, neither by law nor by the Articles of Association. It is possible in these cases, however, that the designated proxies may demand power of attorney in a particular form, as it must be recorded by them in a verifiable manner pursuant to Section 135 (1) sentence 2 AktG (in conjunction with Section 135 (8) AktG, if applicable). We request that the information concerning the particular requirements be obtained from the designated proxies in each case.

Where a shareholder wishes to authorise an intermediary or a shareholders' association, a proxy advisor or another person, institution, company or association deemed equivalent to these parties pursuant to Section 135 (8) AktG, they should also enquire in advance with the intermediary, shareholders' association, proxy advisor, person, institution, company or association whether it will be represented or present at the Annual General Meeting of The Social Chain AG. In this case, the power of attorney must be issued to the intermediary, shareholders' association, proxy advisor, person, institution, company or association directly and with sufficient notice such that the intermediary, shareholders' association, proxy advisor, person, institution, company or association – as the case may be – can register the shareholder for the Annual General Meeting in good time by midnight (CEST) on 1 June 2022.

#### **Exercise of voting rights by proxies appointed by the Company**

Shareholders may also have their voting rights at the Annual General Meeting exercised by proxies appointed by the Company in accordance with their instructions. In this case also, the shareholder must be entered in the Company's share register on the date of the Annual General Meeting and have duly registered for the virtual Annual General Meeting.

Shareholders wishing to authorise the Company's proxies must issue instructions on how the voting right shall be exercised for each pending agenda item; the Company's proxies are obliged to vote in accordance with the instructions given to them. The proxies appointed by the Company are not authorised to exercise voting rights in votes whose subject matter is unknown prior to the Annual General Meeting. The proxies will abstain or not participate in the vote in these cases. This shall apply analogously to votes on a counter-motion without specific instructions. Proxies appointed by the Company cannot be instructed to raise objections or file motions.

A form to grant powers of attorney and instructions to proxies appointed by the Company will be sent to the shareholders together with the invitation to the virtual Annual General Meeting. It is also available for download at <https://socialchain.com/en/investor-relations/annual-general-meeting>.

Powers of attorney and instructions for proxies appointed by the Company may be issued by post, fax or email to the following postal address, fax number or email address no later than midnight (CEST) on 7 June 2022 (time of receipt):

The Social Chain AG

c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
Germany

or

Fax: +49 (0)89 889690633

or

Email: [socialchain@better-orange.de](mailto:socialchain@better-orange.de)

Starting 10 May 2022, powers of attorney and instructions for the proxies appointed by the Company may also be sent electronically to the password-protected internet service of the Company's website at <https://socialchain.com/en/investor-relations/annual-general-meeting>, with due consideration of the procedure established for this purpose. This opportunity to issue power of attorney and instructions to the proxies appointed by the Company is available until immediately before the start of voting at the virtual Annual General Meeting on 8 June 2022. The personal login details required to use the password-protected internet service will be sent to the shareholders together with the invitation to the virtual Annual General Meeting.

The information above on the options of transmitting messages and on the deadlines shall apply accordingly to withdrawals of the power of attorney issued to proxies appointed by the Company or to the amendment of instructions.

#### **Voting by electronic absentee ballot**

Shareholders may cast their vote by electronic absentee ballot. This shall also be predicated upon entry in the share register and timely and proper registration of the shareholder or their proxy for the virtual Annual General Meeting.

Voting by absentee ballot is possible from 10 May 2022. Votes shall be sent electronically to the password-protected internet service of the Company's website at <https://socialchain.com/en/investor-relations/annual-general-meeting>, with due consideration of the procedure established for this purpose. This absentee ballot option will be available until the start of voting at the virtual Annual General Meeting on 8 June 2022. The personal login details required to use the password-protected internet service will be sent to the shareholders together with the invitation to the virtual Annual General Meeting.

The above information on the options for casting votes and the associated deadlines shall apply analogously to cancellations of or changes to votes cast by absentee ballot.

Authorised intermediaries, shareholders' associations and proxy advisors or other persons deemed equivalent pursuant to Section 135 (8) AktG may also use the electronic absentee ballot system.

#### **Other shareholder rights**

##### *Additions to the agenda*

Shareholders whose shares alone or together amount to one-twentieth of the Share Capital or the proportionate amount of EUR 500,000.00 (equivalent to 500,000 shares) may request that items be placed on the agenda and announced. Reasons or a draft resolution must be appended with each new item.

Pursuant to Section 122 (2) AktG, requests for additions to the agenda must be received by the Company at least 30 days prior to the meeting, i.e. by midnight (CEST) on 8 May 2022. The request must be addressed in writing (Sec. 126 BGB) to the Company's Management Board. The address is:

The Social Chain AG  
The Management Board  
Gormannstraße 22  
10119 Berlin  
Germany

Petitioners must demonstrate that they have held the shares for at least 90 days prior to the date on which the request is received and that they will hold the shares until a decision on the request has been reached by the Management Board, whereby Section 70 AktG shall apply to calculations of the shareholding period. The date on which the request is received does not count in the calculation. Rescheduling from a Sunday, a Saturday or a public holiday to a preceding or following working day will not be taken into consideration. Sections 187 to 193 BGB do not apply mutatis mutandis.

Additions to the agenda that are subject to mandatory announcement shall be published without delay in the Federal Gazette after receipt of the request and forwarded for publication to such media as can be expected to disseminate the information in the European Union, unless they have already been announced with the notice convening the meeting. They will also be disclosed and communicated to shareholders on the internet at <https://socialchain.com/en/investor-relations/annual-general-meeting>.

Any admissible resolution proposal submitted together with the request for an addition to the agenda made in the due form shall be deemed to have been presented at the Annual General Meeting if the requesting shareholder is entered in the Company's share register on the date of the Annual General Meeting and has duly registered for the virtual Annual General Meeting.



### *Countermotions and nominations*

Each shareholder is entitled furthermore to file countermotions and to propose nominations for each item on the agenda.

The Company will publish shareholder countermotions and nominations, including the name of the shareholder, any reasoning and any statement by the management, at

<https://socialchain.com/en/investor-relations/annual-general-meeting>

provided they are received by the Company at least 14 days prior to the meeting, i.e. by midnight (CEST) on 24 May 2022, at the postal address, fax number or email address provided below:

The Social Chain AG  
c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
Germany

or

Fax: +49 (0)89 889690655

or

Email: [antraege@better-orange.de](mailto:antraege@better-orange.de)

The Company may refrain from publishing a countermotion and its reasoning if one of the reasons pursuant to Section 126 (2) nos. 1 to 7 AktG applies. The reasons for a countermotion do not have to be made available if they comprise more than 5,000 characters in total.

Except in cases where Section 126 (2) AktG applies, the Management Board shall be exempted from the requirement to make shareholder nominations accessible if these do not include the names, occupations and places of residence of the proposed Supervisory Board members or auditors or information concerning the other supervisory boards that are required by law within the meaning of Section 125 (1) sentence 5 AktG and on which the proposed Supervisory Board members sit.

Shareholder motions and nominations that must be made accessible pursuant to Section 126 AktG or Section 127 AktG shall be deemed, in accordance with Section 1 (2) sentence 3 COVID-19 Act, to have been presented at the Annual General Meeting if the requesting shareholder is entered in the Company's share register on the date of the Annual General Meeting and has duly registered for the virtual Annual General Meeting.

### *Right to submit questions pursuant to Section 1 (2) sentence 1 no. 3 COVID-19 Act*

Pursuant to Section 1 (2) sentence 1 no. 3 COVID-19 Act, every shareholder who is entered in the Company's share register on the date of the Annual General Meeting and has duly registered for the Annual General Meeting shall be granted the right to submit questions by electronic means.

The Management Board has decided in this regard, with the consent of the Supervisory Board, that the shareholders' questions shall be submitted in accordance with the procedures established for this purpose by no later than midnight (CEST) on 6 June 2022, on the password-protected internet service of the Company's website at <https://socialchain.com/en/investor-relations/annual-general-meeting>. Questions that are submitted to the Company at a later date or by alternative means shall not be taken into consideration.

Pursuant to Section 1 (2) sentence 2 COVID 19 Act, the Management Board shall decide at its own equitable discretion on how to respond to questions. When answering questions, the Company will only disclose the names of the questioners if they specifically request it when submitting the questions.

Additional questions cannot be presented during the virtual Annual General Meeting.

With regard to exercising the right to submit questions, the foregoing shall apply equally to shareholder proxies, with the exception of proxies appointed by the Company.

### *Objection to a resolution of the Annual General Meeting*

Shareholders (or their proxies) who have exercised their voting rights in accordance with the procedure described above may, in accordance with the procedures established for this purpose and waiving the requirement to appear at the Annual General Meeting, declare objections to a resolution of the Annual General Meeting pursuant to Section 1 (2) sentence 1 no. 4 COVID-19 Act. They may do so from the beginning of the virtual Annual General Meeting until the end of the virtual Annual General Meeting on 8 June 2022 on the password-protected internet service on the Company's website at <https://socialchain.com/en/investor-relations/annual-general-meeting>.

### **Documents for the Annual General Meeting and information pursuant to Section 124a AktG**

This notice convening the Annual General Meeting, the documents to be made available and motions of shareholders, as well as further information that must be disclosed pursuant to Section 124a AktG, will be published and made accessible at the internet address <https://socialchain.com/en/investor-relations/annual-general-meeting>.

The results of the vote will be announced at the same internet address after the Annual General Meeting.

The notice convening the Annual General Meeting has been forwarded for publication to such media as can be expected to disseminate the information in the European Union.

### Reference to Section 33 et seq. WpHG

Reference is made to the notification obligations pursuant to Section 33 et seq. Securities Trading Act (WpHG) and the legal consequence of the suspension of all rights associated with the shares for violations of a mandatory notification as set out in Section 44 WpHG.

### Data protection

The Social Chain AG processes personal data (name, address, email address, number of shares, class of shares, type of ownership of the shares, number of the AGM ticket and the login details for the password-protected internet service; if applicable, name, postal address, email address, number of the AGM ticket, and the login details for the password-protected internet service of the proxy appointed by the respective shareholder, if applicable) in compliance with the EU General Data Protection Regulation (GDPR), the German Federal Data Protection Act (BDSG), the German Stock Corporation Act (AktG) and all other relevant legal provisions.

The Social Chain AG shares are no-par value registered shares. Section 67 AktG states that registered shares of this kind must be entered in the Company's share register, stating the shareholder's name, date of birth and address as well as the number of shares. Shareholders are always required to disclose this information to the Company. Intermediaries involved in the acquisition, custody or disposal of your shares in The Social Chain regularly forward this and other information of relevance to maintaining the share register (e.g. nationality, gender and submitting bank) to the share register. This takes place via Clearstream Banking Frankfurt, which, as the central securities depository, handles the technical settlement of securities transactions as well as the custody of shares for intermediaries.

The Social Chain AG uses the personal data of shareholders for the purposes set out in the German Stock Corporation Act. They include, in particular, maintenance of the share register and organisation of the Annual General Meeting. Your data may also be used to compile statistics, for example to analyse trends. The legal basis for the processing of this personal data is the German Stock Corporation Act in conjunction with Art. 6 (1) point c and (4) GDPR.

Should you, as a shareholder, exercise the opportunity to submit questions in advance of the virtual Annual General Meeting and your questions are dealt with there, your name will be stated in this regard, if applicable. Other shareholders or their proxies may become aware of your name. This processing of data by stating your name is necessary to protect our legitimate interest in making the virtual Annual General Meeting as similar as possible to a physical Annual General Meeting. The legal basis for this processing is Art. 6 (1) point f) GDPR.

You may object at any time to your name being stated during the virtual Annual General Meeting for reasons arising from your particular circumstances by contacting the Company's data protection officer at the postal address or email address provided below (Art. 21 GDPR). The Company will then cease such processing unless there are compelling legitimate grounds for such processing which override your interests, rights or freedoms, or such processing is for the establishment, exercise or defence of legal claims.

Moreover, the personal data may also be processed for compliance with other legal obligations such as regulatory requirements as well as retention obligations arising from stock corporation, commercial and tax law. For example, when authorising the election proxies appointed by the Company for the Annual General Meeting, it is mandatory that the data proving authorisation is recorded in a verifiable manner and kept protected from access for a period of three years (Section 134 (3) sentence 5 AktG). The relevant statutory provisions in conjunction with Art. 6 (1) point c) GDPR shall serve as the legal basis for processing in this regard.

The Social Chain AG also processes data to protect its legitimate interests pursuant to Art. 6 (1) point f) GDPR in individual cases. This is the case if, for example, individual shareholders must be excluded from the information on subscription offers relating to capital increases due to their nationality or place of residence in order to comply with securities regulations in the countries concerned.

The shareholders will be notified in advance according to the statutory provisions if there are plans to process their personal data for other purposes.

Shareholders have a right to information, rectification, restriction, objection and erasure regarding the processing of their personal data at any time, as well as a right to data portability according to Chapter III of the GDPR. These rights may be exercised free of charge towards The Social Chain AG by contacting the email address

privacy@socialchain.com

or by using the following contact details.

The Social Chain AG  
Gormannstraße 22  
10119 Berlin

In addition, shareholders may lodge an appeal with the supervisory authorities responsible for data protection pursuant to Art. 77 GDPR.

The data protection officer can be reached as follows:

Mr Gregor Klar  
Witzlebenstraße 21A, 14057 Berlin  
or  
Email: klar@brainosphere.de  
or  
Phone: +49 30 32 70 19 93

For more information about data protection, visit The Social Chain AG page at <https://socialchain.com/data-protection>.

**Berlin, in April 2022**

***The Management Board***