

Explanatory report of the management board on disclosures pursuant to Section 289a para. 1 and 315a para. 1 of the German Commercial Code (HGB)

With respect to the mandatory disclosures in the annual financial statements according to Section 289a para. 1 and 315a para. 1 of the German Commercial Code the management board of SLM Solutions Group AG gives the following explanatory report:

1. Composition of subscribed capital: The share capital of SLM Solutions Group AG (the “Company”) of EUR 19,778,953.00 is divided into 19,778,953 no-par value bearer shares. There are no differing classes of shares. Each share carries full voting rights and divided entitlements. Each share grants one vote at the Annual General Meeting in this context. Shareholders’ rights and obligations otherwise derive from the regulations of the German Stock Corporation Act (AktG), especially from Sections 12, 53a et seq., 118 et seq. and 186 of the German Stock Corporation Act.
2. The management board is not aware of any restrictions affecting voting rights or the transfer of shares in the company.
3. Direct or indirect share capital holdings which exceed 10 % of the voting rights as of December 31, 2020:

On the basis of notices received regarding significant voting rights shares in accordance with Section 33 et seq. of the Securities Trading Act (WpHG) and transactions conducted by persons with managerial responsibilities in accordance with Section 26 of the Securities Trading Act and Article 19 of the Market Abuse Directive (MAR), the management board is aware of the following direct or indirect holdings of the company’s shareholdings exceeding 10 % of the voting rights:

Name	Number of voting rights	Share of voting rights
Hans-Joachim Ihde (über Ceresio GmbH, Lübeck, Deutschland)	2.015.887	10,19%
Elliott Investment Management L.P. (New York, Vereinigte Staaten von Amerika)*	5.537.706	28,00%
ENA Opportunity Master Fund LP (Cayman Islands)	3.982.996	20,14%
Invesco Ltd. (Hamilton, Bermuda)	2.001.979	10,12%

* Shares are attributed via the subsidiary Cornwall GmbH & Co. KG

4. There are no shares with special rights conveying controlling powers.
5. A voting rights control of the share capital by participating employees does not exist.
6. Statutory regulations and bylaw provisions concerning the appointment and recall-from-office of members of the management board and the amendment of bylaws:

The appointment and recall-from-office of management board members are regulated in Sections 84 and 85 of the German Stock Corporation Act. Accordingly, the supervisory board appoints management board members for a maximum period of five years. Reappointment or extension of the period of office, in each

case for a maximum of five years, is permitted. Pursuant to Article 6 of the Company's bylaws, the management board must consist of at least two persons. The supervisory board appoints management board members according to the provisions of the German Stock Corporation Act and determines the number of management board members. The supervisory board can appoint one member to be the management board chair (CEO). Pursuant to Section 84 para. 3 of the German Stock Corporation Act, the supervisory board can revoke both management board appointments and the management board chair appointment if good justification exists.

The amendment of the bylaws is regulated by law in Section 179 et seq. of the German Stock Corporation Act. These require approval by the general meeting, as a matter of principle. Resolutions of the general meeting in this regard require a majority comprising at least three quarters of the share capital represented when resolutions are passed. The bylaws can determine a different share capital majority, although only a larger share capital majority applies for an amendment to the Company's business purpose

7. Powers of the management board particularly with regard to the option to issue or buy back shares: the management board can only issue new shares on the basis of resolutions adopted by the general meeting regarding an increase in the share capital or with respect to authorized and conditional capital.

In accordance with Section 4 para. 5 of the bylaws, the management board is authorized to increase the share capital by up to EUR 9,889,476.00 wholly or in part, once or in several stages by June 24, 2024 with the approval of the supervisory board issuing up to 9,889,476 new bearer shares against cash payments and/or contributions in kind ("Approved Capital 2019"). As a general rule, shareholders must be granted subscription rights. Under conditions described in more detail in Section 4 para. 5 of the bylaws, however, the management board is authorized to rule out shareholders' statutory subscription rights with the approval of the supervisory board.

Moreover, the company's share capital has been conditionally increased in accordance with Section 4 para. 6 of the bylaws by up to EUR 9,889,476 through the issue of up to 9,889,476 new bearer shares ("Conditional Capital 2014/2018/2020"). The Conditional Capital has the purpose of granting shares to owners or creditors of convertible and/or warrant bonds, which have been or will be issued according to the resolution of the general meeting of April 14, 2014 under agenda item 4.1 up until June 21, 2018 (inclusive) ("Authorization 2014") or according to the resolution of the general meeting of June 22, 2018, as amended by the resolution of the general meeting of June 16, 2020 under agenda item 6 up until June 15, 2025 (inclusive) ("Authorization 2018/2020") by the Company or a domestic or foreign company, in which the Company directly or indirectly holds the majority of votes and capital.

This will only be executed if use has been or is made of the convertible or option rights or the fulfillment of conversion obligations from such bonds and insofar as other forms of fulfillment have not been or are not used. The issue of the new shares will take place at the option price on the basis of the respective conversion or option price to be determined by the respective authorizing resolution of the general meeting of June 22, 2018, as amended by the resolution of the general meeting of June 16, 2020. The new shares will participate in the profit from the beginning of the fiscal year in which they originate through the exercise of conversion or option rights or the fulfillment of conversion obligations; by way of exception to the above, the management board can, if legally permitted to do so and with the approval of the supervisory board, determine that the new shares will participate in the profit from the beginning of the fiscal year for which no resolution of the general meeting on the appropriation of retained earnings has been adopted at the time when conversion or option rights are exercised or conversion obligations fulfilled.

The management board is authorized to define further details for implementing the conditional capital increase. The supervisory board is authorized to modify the wording of Article 4 of Company's bylaws to fit the issuing of new shares from Conditional Capital 2014/2018/2020. The same applies if Authorization 2018/2020 has not been or will not be exercised during its term, or the corresponding conversion or option rights and/or conversion obligations have expired or expire due to the expiry of the exercise deadlines in some other way.

8. The Company has no significant agreements conditional on any change of control as a consequence of a takeover offer.
9. Compensation agreements do not exist on the part of the Company that have been entered into with management board members or employees for the instance of a change of control.

SLM Solutions Group AG
Management Board

