



## Annual General Meeting on 15 June 2023

### FAQ

#### ITEM 10:

#### **Resolution on a reduction of the share capital for the creation of a free capital reserve by consolidation of shares in a ratio of 8 to 1 and corresponding amendment of the Articles of Association as well as on a reduction of the existing authorised capital and the existing conditional capital and corresponding amendments of the Articles of Association**

The shareholder Ludic GmbH, Bad Oldesloe, which holds a pro rata amount in the share capital of Gigaset AG of more than EUR 500,000.00, has, after the convening of the Annual General Meeting, requested in due time pursuant to Section 122 (2) of the German Stock Corporation Act (Aktiengesetz, AktG) by letter dated 12 May 2023, inter alia, to add the above-mentioned item to the agenda of the Annual General Meeting convened for 15 June 2023 and has provided evidence of the further requirements pursuant to Section 122 (2) AktG.

For this purpose, the Executive Board of Gigaset AG informs the shareholders as a precautionary measure about a capital reduction as follows:

1. What is a capital reduction?

In the case of a capital reduction, the share capital of a public limited company is reduced, for example through the consolidation of shares. The share capital of a company consists of the sum of the nominal values of all issued shares.

2. What is a consolidation of shares?

In the case of a consolidation of shares, for example in the requested ratio of 8 to 1, eight shares of a public limited company are exchanged for one new share, which reduces the total number of shares issued in accordance with the selected consolidation ratio. A shareholder's percentage share in the company and the value of his or her shareholding do not change as a result, while the stock market value of a new share increases in accordance with the consolidation ratio.

3. How does the share price change as a result of the consolidation of shares?

The share price of a new share will mathematically adjust according to the chosen consolidation ratio at the time the consolidation becomes effective, but the value of a shareholder's holding will remain unchanged.

Example (consolidation at a ratio of 8 to 1):

At a share price of EUR 0.40 on the day of booking the consolidation, 800 shares with a stock market value of EUR 0.40 each (= EUR 320.00) will become 100 new shares with a stock market value of EUR 3.20 each (= EUR 320.00).

4. What are the implications of the proposed capital reduction for Gigaset AG?

As a result of the proposed consolidation of the shares at a ratio of 8 to 1, the share capital of Gigaset AG will – in the event that the proposed item finds the necessary majorities at the Annual General Meeting on 15 June 2023 – be reduced by EUR 115,898,909 from currently EUR 132,455,896 to EUR 16,556,987 for the purpose of creating a free capital reserve. The reduction of the share capital would therefore have balance sheet effects for Gigaset AG without financial relevance for the shareholders. It is expected that the share price will increase by a factor of eight at the time the consolidation takes effect, but that the value of the participation of the individual shareholder will remain unchanged in this respect.

# Gigaset

5. Will the market capitalisation of the company change after the reduction of the share capital?

The market capitalisation of Gigaset AG will remain unchanged as the capital reduction will only affect the balance sheet of the company and will not have any impact on the value of the shareholders' participation. The consolidation of shares has the effect that the share price increases arithmetically by a factor of eight, so that the market capitalisation remains the same. The share capital is reduced by EUR 115,898,909 to EUR 16,556,987 for the purpose of creating a free capital reserve. This is therefore only an exchange between the share capital and the capital reserve; the sum of these two equity capital figures remains unchanged.

6. What effects does the capital reduction have on the authorised capital pursuant to Section 4 (3) and the conditional capital pursuant to Section 4 (4) of the Articles of Association of Gigaset AG?

Pursuant to Section 4 (3) of the Articles of Association of Gigaset AG, the authorised capital (2020) currently amounts to EUR 66,200,000.00. Pursuant to Section 4 (4) of the Articles of Association of Gigaset AG, the conditional capital currently amounts to EUR 64,700,000.00. It is proposed that the authorised and the conditional capital also be reduced in a ratio of 8 to 1. This would mean a reduction of the authorised capital to EUR 8,275,000.00 and a reduction of the conditional capital to EUR 8,087,500.

Bocholt, May 2023

Gigaset AG  
The Executive Board

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