



Remuneration Report

I. Introduction

The Remuneration Report explains the principles of the remuneration system for the members of the Executive Board and Supervisory Board of KPS AG and describes the amount and structure of the remuneration of the members of the executive bodies for financial year 2022/2023. The report was prepared by the Executive Board and Supervisory Board in accordance with the requirements of Section 162 of the German Stock Corporation Act (AktG) and complies with the recommendations and suggestions of the German Corporate Governance Code (GCGC) in its version of 28 April 2022. Both the remuneration system for the Executive Board and the remuneration system for the Supervisory Board as well as the Remuneration Report comply with the principles, recommendations and suggestions of the GCGC with the exception of the deviations described in the Declaration of Conformity 2024.

This Remuneration Report presents the Executive Board remuneration under the 2020/2021 remuneration system in accordance with the applicable regulatory requirements.

II. Review of financial year 2022/2023

The previous system for the remuneration of Executive Board members was adjusted in some areas by resolution of the Supervisory Board with effect from 1 October 2020 and submitted to the Annual General Meeting on 21 May 2021 for resolution, which approved the adjusted system for the remuneration of Executive Board members by 81.04 per cent. In addition, the adjusted system for the remuneration of Supervisory Board members was submitted to the 2020/2021 Annual General Meeting for resolution and approved by 99.13 per cent. The Executive Board consists of only one member, Mr. Leonardo Musso.

III. Remuneration of the Executive Board in financial year 2022/2023

1. Principles of the remuneration system for the Executive Board

The adjusted remuneration system for the Executive Board of KPS AG is based on the following guidelines:

- Transparent, comprehensible remuneration oriented towards the sustainable success of the company as a whole makes a significant contribution to promoting the business strategy.
- The remuneration of the Executive Board members is geared towards the long-term and sustainable development of the KPS Group. The majority of the variable remuneration is therefore based on a multi-year assessment basis.
- The remuneration of Executive Board members is commensurate with the range of tasks and performance of the Executive Board member. Variable remuneration components are made dependent on the achievement of demanding targets and significant target failures lead to a noticeable reduction in remuneration.
- Multi-year assessment bases in combination with a bonus and malus system and capping amounts for the variable bonus component that take effect every financial year promote long-term earnings-oriented growth and avoid incentives to take disproportionate risks.
- The remuneration of the members of the Executive Board is in line with the market in terms of both the amount and structure and takes the size, complexity and economic situation of the company into account.

1.1. Procedures for establishing, implementing and reviewing the remuneration system

The remuneration system is to be adopted by the Supervisory Board as the body responsible for Executive Board remuneration in accordance with the legal requirements in Sections 87 (1), 87a (1) of the German Stock Corporation Act (AktG) and submitted to the Annual General Meeting for approval in accordance with Section 120a of the German Stock Corporation Act (AktG). If the Annual General Meeting does not approve the remuneration system, a remuneration system reviewed by the Supervisory Board will be submitted to it for approval at the following ordinary General Meeting at the latest. The remuneration system complies with the recommendations of the German Corporate Governance Code (GCGC) insofar as no deviations from these recommendations are declared in the respective Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG).

1.2. Determination and appropriateness of the remuneration of the Executive Board

The appropriateness of the remuneration components is reviewed by the Supervisory Board at regular intervals. In this context, the Supervisory Board also compares the remuneration of the Executive Board within the framework of a vertical (internal) comparison with the remuneration structure of the upper management circle of KPS Group below the Executive Board level. For a horizontal peer group comparison, the Supervisory Board consults a suitable peer group of companies whose market position is relevant compared to KPS AG. The focus here is on such companies that are comparable to KPS AG in terms of market capitalisation, revenue and industry. The Supervisory Board also takes whether and to what extent a member of the Executive Board holds an interest in the company into account. As a result, in the case of a significant shareholding, this can lead to the remuneration of the Executive Board member concerned being below the standard market remuneration with his or her consent and in the interest of the company and its shareholders.

If necessary, the Supervisory Board may engage external remuneration experts to assess appropriateness (in particular vertical and horizontal appropriateness). If the Supervisory Board makes use of this possibility, it shall ensure the independence of the commissioned remuneration experts.

In the event of significant changes to the remuneration system, but at least every four years, the remuneration system shall be submitted to the Annual General Meeting for approval. The General Meeting may adopt a confirming resolution.

1.3. Measures to avoid conflicts of interest

In order to avoid potential conflicts of interest, the members of the Supervisory Board are obliged to disclose any conflicts of interest to the Chairman of the Supervisory Board, who shall inform the Supervisory Board accordingly. A conflict of interest may result in the Supervisory Board member concerned abstaining from voting on the resolution or, in the case of a serious conflict of interest, also not participating in the deliberation. The regulations applicable to the handling of conflicts of interest of Supervisory Board members must also be observed in the procedures for determining, implementing and reviewing Executive Board remuneration and the remuneration system. No conflicts of interest arose in financial year 2022/2023.

1.4. Remuneration systems applied in financial year 2022/2023

The Executive Board is remunerated in accordance with the remuneration system applicable to it. The remuneration system was submitted to the Annual General Meeting for approval on 21 May 2021 in accordance with Section 120a para. 1 of the German Stock Corporation Act (AktG) and approved by 81.04 per cent (hereinafter: remuneration system 2020/2021). Thus, the 2020/2021 remuneration system will apply to all new Executive Board service contracts to be concluded or extended from 1 October 2021. Due to the extension of Mr. Leonardo Musso's appointment as Executive Board member for the term from 1 January 2022 to 31 December 2026, the 2020/2021 remuneration system will apply to him.

2. Overview of the system for the remuneration of the members of the Executive Board

2.1. Target remuneration and structure

The system of remuneration for Executive Board members consists of non-performance-related and performance-related components.

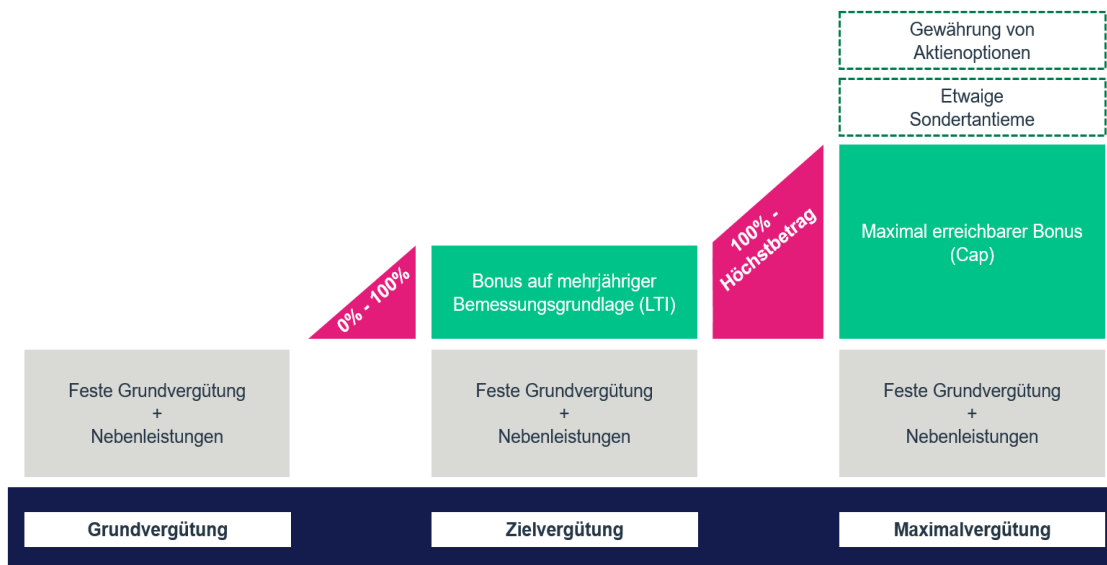
The non-performance-related remuneration components consist of the basic remuneration and the contractual fringe benefits. The performance-related component includes the bonus, performance-related special bonuses and stock options. No use was made of the option to issue stock options in financial year 2022/2023.

The sum of the basic remuneration, the contractual fringe benefits and the target amount of the bonus together make up the target remuneration.

To ensure the performance orientation of the Executive Board remuneration, the target remuneration (basic remuneration, contractual fringe benefits and bonus for 100 per cent target achievement) is made up of around 50 per cent performance-related remuneration components and around 50 per cent non-performance-related remuneration components. 100 per cent of the performance-related remuneration has a multi-year assessment basis.

The performance-related bonus, which is based on the performance parameters, promotes the sustainable growth of KPS Group and strategic and operational management decisions oriented towards the success of the company as a whole due to the multi-year assessment basis, the clarity of calculation based on objective circumstances, and the fact that the majority of the bonus is earnings-oriented. The performance parameters are clearly defined for each financial year and are generally disclosed in the remuneration report.

Overview of the remuneration structure with its short-term and long-term remuneration components



2.2. Maximum remuneration

The annual inflow from basic remuneration, variable remuneration components, pension expenses and fringe benefits is limited to a total amount of € 900,000 for the Chairman of the Executive Board/sole member of the Executive Board and to a total amount of € 650,000 gross for each additional member of the Executive Board (total cap). The maximum remuneration was not reached in financial year 2022/2023; please refer to the overview of the benefits granted in the section “Individual disclosure of the remuneration of the Executive Board.”

In the interest of the shareholders, the Executive Board will thus continue to be offered competitive incentives for outstanding performance and long-term and sustainable company success.

3. The remuneration components in detail

3.1. Non-performance-related remuneration components

3.1.1. Basic remuneration

The members of the Executive Board receive a fixed basic salary, which is paid monthly in twelve equal instalments. In determining the amount of the basic salary, the Supervisory Board is guided by the range of

tasks and responsibilities of the Executive Board member, the experience of the respective Executive Board member and other parameters.

3.1.2. Ancillary services

The members of the Executive Board are contractually granted fringe benefits. These include, among other benefits, the provision of an appropriate company car for business and private use. Furthermore, the Executive Board members receive reimbursement of the employer's contributions to statutory pension insurance and full statutory contributions to health and long-term care insurance, which are customary in the case of assumed employment as an employee. Furthermore, the Executive Board members receive insurance coverage in various areas, in particular in the form of an accident insurance and a pecuniary damage liability insurance (D&O insurance).

3.2. Performance-related remuneration components

The performance-related remuneration components represent the second part of the remuneration of the Executive Board members. The performance-related remuneration consists of a bonus, performance-related special bonuses and a stock option programme. In order to ensure a sustainable and long-term development of KPS and to achieve an alignment of interests between the Executive Board and the shareholders, the bonus as a performance-related remuneration component is multi-year. The bonus is calculated on the basis of long-term performance development by assessing various target criteria over three years. Special performance-related bonuses are paid in the event of special performance by the Executive Board member for the past financial year. The issue of options within the framework of the stock option programme serves as a targeted incentive and at the same time is intended to achieve a bonding effect of the participants to KPS Group.

3.2.1. Performance Bonus

Basics of the bonus

The bonus based on the performance parameters is calculated over the entire three-year assessment period. A new assessment period with new targets begins each financial year. During the assessment periods, interim payments are made based on the targets achieved up to that point and the estimate of target achievement for the remaining periods. After the end of each financial year of the relevant assessment period and submission of the audited Annual and Consolidated Financial Statements of the company for this financial year to the Supervisory Board, the Executive Board member receives an annual down payment on the expected bonus for an initial year, the amount of which is generally based on the balance of the bonus and malus amounts achieved up to that point. The Supervisory Board is entitled to adjust the amount of the down payment at its reasonable discretion. The interim payment becomes due for payment with the next salary run after submission of the audited Annual and Consolidated Financial Statements to the Supervisory Board. After the final bonus has been determined, the Executive Board member is obliged to immediately repay to the company any difference between the payments on account on a prospective bonus and the final determined bonus. There were no reasons for a reclaim or reduction in financial year 2022/2023.

Description of the objectives:

The bonus is determined on the basis of the target achievement of the specified Group EBIT. Separate annual target EBITs are set for each three-year assessment period.

Realised Group EBIT in the amount of the target EBIT (and in addition up to 105% of the target EBIT) for the respective financial year of the assessment period means target achievement of 100%.

Realised Group EBIT of 105% to 110% of the target EBIT means target achievement of 110%.

Realised Group EBIT of more than 110% of the target EBIT means the maximum possible target achievement of 120% (upper limit).

Realised Group EBIT of more than 95% but less than 100% of the target for the respective financial year of the assessment period means target achievement of 90%.

Realised Group EBIT of more than 90% but less than 95% of the target EBIT means target achievement of 80%.

Realised Group EBIT of up to 90% of the target EBIT means target achievement of 60%.

Determination of individual targets and evaluation by the Supervisory Board

The targets are to be set by the Supervisory Board by the end of March of the initial financial year at the latest on the basis of objectively measurable and transparent criteria. For each year of the assessment period, a fair value and various bandwidths or deviation ranges of financial and, where applicable, non-financial performance criteria are set, which are matched by bonus and malus amounts for each year of the assessment period, depending on the respective target achievement. Targets are determined in each baseline financial year for each year of an assessment period, but these targets for the baseline year bonus are unaffected by the separate determination of targets for future assessment periods.

The performance parameters are to be predominantly earnings-oriented. For the current financial year 2022/2023, the bonus-relevant performance parameter for the sole member of the Executive Board, Mr. Leonardo Musso, is the earnings from ordinary activities before interest and taxes (EBIT) of the respective financial year as reported in the Consolidated Financial Statements of KPS AG. Group EBIT is of great importance as a key financial figure for the management of KPS Group. A significant increase in earnings over a multi-year assessment period is a decisive prerequisite for the KPS Group as a consulting company for sustainable company growth and the implementation of the business strategy. The Supervisory Board may use alternative or additional key earnings figures (EBT, EBITDA) and additional financial performance parameters (amount of incoming orders) as a basis for determining the bonus. The Supervisory Board may adjust the actual value of the key earnings figures to take non-recurring, extraordinary circumstances and/or non-operational effects into account. Insofar as the Supervisory Board deems it expedient to promote the business strategy and the long-term development of the company, it may also base the bonus assessment on non-financial performance parameters in the form of management and personnel goals, project and process goals and ESG goals (Environmental Social Governance), as long as the performance parameters are predominantly profit-oriented in their weighting.

Achievement of bonus targets in financial year 2022/2023

The performance bonus is measured against the Group EBIT financial target. This target is set in each assessment period for each individual financial year.

Group EBIT amounted to EUR 3.6 million in financial year 2022/2023, which means target achievement of 17 per cent in the third year of the assessment period 2020/2021 – 2022/2023.

The target achievement of the baseline year of the assessment period 2021/2022 – 2023/2024 is 23 per cent.

The target achievement of the baseline year of the assessment period 2022/2023 – 2024/2025 is 19 per cent.

4. Termination of the service contract

4.1. Change of Control

In the event of a change of control at the company, a member of the Executive Board may be granted the right to terminate the Executive Board service contract and to resign from office at the time of termination. The Executive Board member may be granted a claim to payment of a severance payment amounting to 75% of the sum of (i) the annual gross income agreed at the time of termination of the contract in the form of the annual basic salary and (ii) the bonus determined for the year of termination of the contract in the event that the special right of termination is exercised. For the purpose of the bonus calculation, in this case 100 per cent target achievement can in principle be assumed for the initial year and exclusively based on this initial year. However, any waiting allowance shall be taken into account.

4.2. Post-contractual non-competition clause

A post-contractual non-competition clause applies to members of the Executive Board of KPS AG. According to this, the respective Executive Board member is contractually prohibited from working for a competing company or engaging in competitive activities for a period of one year after termination of the employment relationship. Similarly, the Executive Board member is not permitted to establish, acquire or directly or indirectly participate in such a company during this period.

For the duration of the post-contractual non-competition clause, the company is obliged to pay the Executive Board member compensation for waiting time amounting to 100 per cent of the fixed gross monthly salary for each month of the ban. Payment of the compensation is due at the end of each month. Other payments made by the company to the member of the Executive Board, such as transitional allowances and severance payments, shall be offset against the compensation for waiting time.

Any income that the Executive Board member earns or fails to earn from self-employed, employed or other gainful employment during the term of the post-contractual non-competition clause shall be offset against the compensation, provided that the compensation, including the income, exceeds the amount of the most recent benefits received.

The company may waive the non-competition clause both prior to the termination of the employment contract and thereafter by written declaration to the Executive Board member.

5. Further contractual regulations

5.1. Loans to members of the Executive Board

The company did not grant any advances or loans to members of the Executive Board in financial year 2022/2023. There are also no loans or advances to members of the Executive Board from previous years.

5.2. Remuneration of Group companies

No remuneration was paid to the Executive Board by Group companies in financial year 2022/2023.

6. Individual disclosure of the remuneration of the Executive Board

The following tables contain the monetary disclosures for the components of Executive Board remuneration for the financial years 2022/2023 and 2021/2022 shown on the previous pages. The disclosures in accordance with Section 314 of the German Commercial Code (HGB) are shown in the "Inflow" tables.

The individualised disclosure of the remuneration amounts is based on the model tables "Grants" and "Inflows" in the version of the GCGC of 7 February 2017 in order to ensure transparent presentation of the respective grants and inflows for the financial years 2022/2023 and 2021/2022.

Overview of the grants awarded

	I	II	III	IV	V	VI	
a	Leonardo Musso						
b	Vorstand KPS AG						
c	E intritt 01.11.2008						
d	2021 in EUR	2021 in %	2022 in EUR	n in %	2023 in EUR	n in %	
1	Grundgehalt	300.000	52,0%	300.000	39,9%	300.000	46,4%
2	Nebenleistungen	60.984	10,6%	62.328	8,3%	60.984	9,4%
3	Summe	360.984	62,6%	362.328	53,3%	360.984	62,6%
4	Einjährige variable Vergütung	0	0,0%	210.000	27,9%	144.000	44,1%
5	Mehrfährige variable Vergütung	0	0,0%	0	0,0%	0	0,0%
5a	Plan 2020/2021, Laufzeit bis 30.09.2023	216.000	37,4%	-216.000	-19,1%	0	-11,1%
5b	Plan 2021/2022, Laufzeit bis 30.09.2024	0	0,0%	324.000	43,1%	-144.000	-22,3%
5c	Plan 2022/2023, Laufzeit bis 30.09.2025	0	0,0%	0	0,0%	216.000	33,4%
6	Summe	216.000	37,4%	318.000	46,7%	216.000	37,4%
7	Versorgungsaufwand	0	0,0%	0	0,0%	0	0,0%
8	Gesamtvergütung	576.984	100,0%	680.328	100,0%	576.984	100,0%

Overview of the inflows

	I	II	III	IV	V	VI	
a	Leonardo Musso						
b	Vorstand KPS AG						
c	E intritt 01.11.2008						
d	2021 in EUR	2021 in %	2022 in EUR	n in %	2023 in EUR	n in %	
1	Grundgehalt	300.000	83,1%	300.000	61,4%	300.000	39,0%
2	Nebenleistungen	60.984	16,9%	62.328	12,8%	60.984	7,9%
3	Summe	360.984	100,0%	362.328	74,2%	360.984	46,9%
4	Einjährige variable Vergütung	0	0,0%	0	0,0%	210.000	27,3%
5	Mehrfährige variable Vergütung	0	0,0%	0	0,0%	0	0,0%
5a	Plan 2020/2021, Laufzeit bis 30.09.2023	0	0,0%	126.000	25,8%	-126.000	-16,4%
5b	Plan 2021/2022, Laufzeit bis 30.09.2024	0	0,0%	0	0,0%	324.000	42,1%
5c	Plan 2022/2023, Laufzeit bis 30.09.2025	0	0,0%	0	0,0%	0	0,0%
6	Summe	0	0,0%	126.000	25,8%	408.000	53,1%
7	Versorgungsaufwand	0	0,0%	0	0,0%	0	0,0%
8	Gesamtvergütung	360.984	100,0%	488.328	100,0%	768.984	100,0%

Explanations:

- a) Name of the Executive Board member
- b) Function of the Executive Board member, e.g. Chairman of the Executive Board, Finance Director
- c) Date of entry/exit of the Executive Board member, provided that in the financial year under consideration n (reporting year) or n-1
- d) Financial year under consideration n (reporting year) or n-1
 - I. Grants awarded in the previous financial year n-1 in EUR
 - II. Allowances granted in the previous financial year as % of total remuneration
 - III. Grants awarded in the current financial year (reporting year) in EUR
 - IV. Allowances granted in the current financial year as % of total remuneration
 - V. Achievable minimum value of the respective remuneration component granted in the financial year n (reporting year), e.g. zero
 - VI. Achievable maximum value of the respective remuneration component granted in the financial year n (reporting year)
1. Fixed remuneration components, e.g. fixed salary, fixed annual one-off payments (amounts correspond to amounts in table "Inflow"); the figures in columns II, III and IV are identical
2. Fixed remuneration components, e.g. remuneration in kind and fringe benefits (amounts correspond to amounts in the table "Inflow"); the figures in columns II, III and IV are identical

3. *Sum of fixed remuneration components (1 + 2) (amounts correspond to amounts in the table "Inflow"); the figures in columns II, III and IV are identical*
4. *One-year variable remuneration, e.g. bonus, management bonus, Short-Term Incentive (STI), profit sharing, without consideration of deferrals*
5. *Multi-year variable remuneration (sum of lines 5a-...), e.g. multi-year bonus, deferral from one-year variable remuneration (deferral), Long-Term Incentive (LTI), subscription rights, other share-based payments*
- 5a. *Multi-year variable remuneration, breakdown by plan, stating the term*
6. *Sum of fixed and variable remuneration components (1 + 2 + 4 + 5)*
7. *Service cost in accordance with IAS 19 from commitments for pensions and other benefits (amounts correspond to the amounts in the table "Inflow"); the figures in columns II, III and IV are identical*
8. *Total fixed and variable remuneration components and pension expenses (1 + 2 + 4 + 5 + 7)*

IV. Remuneration of the Executive Board in financial year 2022/2023

1. Remuneration System for the Executive Board

The remuneration system for the Supervisory Board of KPS AG, which has been modified to some extent, was submitted to the Annual General Meeting for approval on 21 May 2021 in accordance with Section 113 (3) of the German Stock Corporation Act (AktG) and approved by 99.13 per cent. The amended remuneration system for the Supervisory Board came into force retroactively to October 2020. The previous Supervisory Board remuneration system was in place until 30 September 2020.

Supervisory Board remuneration is structured as purely fixed remuneration plus an attendance fee. This corresponds to suggestion G.18 on Principle 24 on page 17 of the GCGC in its version dated 28 April 2022. The purely fixed remuneration of the Supervisory Board strengthens its independence and represents a balance to the partly variable remuneration of the Executive Board, which is aligned with the growth strategy of KPS AG. It thereby contributes to the realisation of the business strategy and promotes the long-term development of KPS AG.

The members of the Supervisory Board each receive fixed annual remuneration. The fixed remuneration per financial year amounts to EUR 15,000.00. In accordance with suggestion G.17 on Principle 24 on page 17 GCGC in its version dated 28 April 2022, the remuneration for the Chairman of the Supervisory Board amounts to EUR 25,000.00 per financial year. The respective amount of the fixed remuneration takes the specific function and responsibility of the members of the Supervisory Board into account. In addition, each member of the Supervisory Board receives an attendance fee in the form of an attendance fee for each meeting of the Supervisory Board that they attend. The attendance fee amounts to EUR 600.00. The company also reimburses the value added tax payable on the Supervisory Board member's remuneration (Article 12 (3) of the Articles of Association).

Supervisory Board members who have only belonged to the Supervisory Board for part of the financial year receive pro rata remuneration (Article 12 para. 2 of the Articles of Association). The entitlement to payment of the fixed remuneration and the attendance fee is due on the day after the Annual General Meeting that decides on the discharge of the Supervisory Board for the financial year in question (Section 12 para. 1 sentence 2 of the Articles of Association).

Due to the special nature of the Supervisory Board remuneration, which is granted for this specific activity and which differs fundamentally from the activities of the employees of the company and the Group, a so-called vertical comparison with employee remuneration is out of the question. Within the statutory limits, the company is free to decide whether and under what conditions members of the Supervisory Board are employed as employees of KPS Group.

The level of remuneration of the members of the Supervisory Board at KPS AG is determined by the Annual General Meeting on the basis of Article 12 (1) sentence 1 of the Articles of Association. The remuneration and the remuneration system for the Supervisory Board are reviewed by the management at irregular intervals, but at the latest every four years. In particular, the amount of time spent by the Supervisory Board members is decisive. If the Executive Board and Supervisory Board see a need to adjust the remuneration or the remuneration system, they will submit a corresponding resolution proposal to the Annual General Meeting; in any case, a resolution proposal on the remuneration, including the underlying remuneration system, will be submitted to the Annual General Meeting every four years at the latest.

2. Remuneration of the Supervisory Board members for financial year 2022/2023

Overview of Supervisory Board remuneration:

Name	Position	AR-Tätigkeit 2020/2021	AR-Tätigkeit 2021/2022	AR-Tätigkeit 2022/2023	Vergütung 2020/2021 EUR	Vergütung 2021/2022 EUR	Vergütung 2022/2023 EUR
Michael Tsifdaris	Vorsitzender	ganztätig	ganztätig	ganztätig	29.200	29.200	29.200
Uwe Grünewald	Aufsichtsrat	ganztätig	ganztätig	ganztätig	19.200	19.200	19.200
Hans-Werner Hartmann	Aufsichtsrat	ganztätig	ganztätig	ganztätig	19.200	19.200	19.200
Summe					67.600	67.600	67.600

The remuneration for Supervisory Board activities comprises the remuneration plus a meeting allowance of EUR 600 per Supervisory Board meeting.

In the year under review, there were no contracts for consulting or agency services with members of the Supervisory Board of KPS AG or companies that employ members of the Supervisory Board or in which members of the Supervisory Board held shares.

V. Comparative presentation of the remuneration development of the members of the Executive Board, the members of the Supervisory Board and the other employees of the German KPS companies and the earnings development of the company

The following table shows the remuneration development of the Executive Board, the Supervisory Board members and the other employees as well as the earnings development of the company.

Vertikalvergleich	2020/2021 TEUR	2021/2022 TEUR	2022/2023 TEUR	Veränderung in 2021/2022 %	Veränderung in 2022/2023 %
Vorstand					
Leonardo Musso	361	488	769	35%	57%
Aufsichtsrat (1)					
Michael Tsifdaris	29	29	29	0%	0%
Uwe Grünewald	19	19	19	0%	0%
Dr. Werner Hartmann	19	19	19	0%	0%
Durchschnitt	23	23	23	0%	0%
Arbeitnehmer					
Gesamtbelegschaft	123	124	123	1%	-1%
Ertragsentwicklung					
Konzernjahresüberschuss	8.727	9.550	1.536	9%	-84%

(1) Es handelt sich um Angaben der gewährten Zulüsse

(2) die Aufsichtsräte Michael Tsifdaris und Uwe Grünewald sind bei der KPS Transformation GmbH angestellt; für den Vertikalvergleich werden allerdings nur die AR-Vergütungen aufgeführt

All employees of the German KPS companies are included in the presentation of the average remuneration of employees and its change. Analogous to the remuneration of the Executive Board and Supervisory Board, the average remuneration of the entire workforce shown relates to their total remuneration (including any bonus payments, pension benefits and other fringe benefits).

Declaration on Corporate Governance

KPS AG places great importance on the principles of responsible company management and control (Corporate Governance). This declaration reports on the Corporate Governance of KPS AG in accordance with the German Corporate Governance Code ("GCGC"). It also complies with the Group Declaration on Corporate Governance required by Sections 289f and 315d of the German Commercial Code (HGB).

Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act

The Declaration of Conformity published in January 2024 in accordance with Section 161 of the German Stock Corporation Act (AktG) refers to the version of the German Corporate Governance Code dated 28 April 2022, which was published in the Federal Gazette on 29 June 2022.

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE REMUNERATION REPORT ACCORDING TO § 162 (3) AKTG [German Stock Corporation Act]

To KPS AG, München

Audit opinion

We have examined the attached remuneration report of KPS AG, München, for the financial year from 1 October 2022 to 30 September 2023 which was prepared in accordance with the requirements of Section 162 AktG [German Stock Corporations Act]. The examination of the content of the remuneration report described in this audit report includes the formal examination of the remuneration report required by Section 162 paragraph 3 AktG, including the issuance of a report on this audit. In accordance with Section 162 paragraph 3 AktG our review was limited to a formal examination.

In our opinion based on our audit findings, the remuneration report for the financial year from 1 October 2022 to 30 September 2023 complies, in all material respects, with the disclosure requirements pursuant to Section 162 Akt.

Basis for the opinion

We conducted our audit of the remuneration report in accordance with § 162 Abs. 3 AktG and the IDW Auditing Standard: The audit of the remuneration report pursuant to Section 162 paragraph 3 AktG (IDW PS 870 (08.2021)). Our responsibilities under this section and this standard are further described in the "Auditor's Responsibilities" section of our report. As an audit practice, we have complied with the requirements of the IDW Quality Management Standard: Requirements for Quality Management in the Auditing Practice (IDW QMS 1). Furthermore, we have complied with the professional duties in accordance with the German Public Auditor's Code and the statutes for auditors, including the independence requirements.

Responsibilities of the Legal Representatives and the Supervisory Board

The legal representatives and the Supervisory Board of KPS AG are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. The legal representatives and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our objective is to obtain reasonable assurance as to whether the disclosures in accordance with Section 162 paragraph 1 and 2 AktG have been made in the remuneration report in all material respects including the issuance of a report on this audit.

We planned and performed our audit so as to give reasonable assurance on the formal completeness of the remuneration report by comparing the information provided in the remuneration report with the information required in Section 162 paragraph 1 and 2 AktG. In accordance with Section 162 paragraph 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.

Dealing with possible misrepresentations

In connection with our audit, it is our responsibility to read the remuneration report on the basis of the knowledge obtained in the audit and to remain alert for indications that the remuneration report contains misrepresentations as to the content accuracy of the disclosures, the content completeness of the individual disclosures or the appropriate representation of the remuneration report.

If, on the basis of the work we have carried out, we conclude that such a misrepresentation exists, we are required to report this fact. We have nothing to report in this regard.

Limitation of liability

The performance of our engagement and our responsibilities and liability, including in relation to third parties, are subject to the General Engagement Terms for German Public Auditors and German Public Audit Firms as of 1 January 2017 which are attached to this auditor's report.

München, 6 March 2024

Baker Tilly GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
(Düsseldorf)

Weissinger
German CPA

Hars
German CPA