

VELTARION SE

Berlin

- Report of the Administrative Board for the 2023 financial year -

THIS DOCUMENT CONSTITUTES A CONVENIENCE AND UNBINDING TRANSLATION OF THE GERMAN VERSION. THE ONLY AUTHORITATIVE VERSION IS THE GERMAN VERSION

Dear Shareholders,

In the 2023 financial year, the Administrative Board performed the duties incumbent upon it in accordance with the law, the Articles of Association and the rules of procedure. It strategically developed the basic principles of the Company's activities, taking into account the macroeconomic environment, and advised on the implementation of individual measures derived from this. The Administrative Board performed the management tasks assigned to it by law and the Articles of Association and continuously monitored the management of the company by the Managing Director.

On the basis of regular, comprehensive reports from the Managing Director, who is also a member of the Administrative Board, on issues relating to business development and the company's risk situation, as well as on currently significant topics, the Administrative Board was able to satisfy itself on an ongoing basis of the legality, regularity, expediency and economic efficiency of the management activities. In addition, the Administrative Board supported the Managing Director intensively in the preparation of forward-looking business decisions and planning calculations, whereby the focus of the joint efforts was always on securing the future viability of Veltarion SE.

The Administrative Board held four meetings in the reporting year, all of which were held as online video conferences. All members of the Administrative Board took part in each of the meetings. At the meetings, the Administrative Board was informed about business policy, relevant aspects of corporate development and planning, the economic situation of the company, including its net assets, financial position and results of operations, risk management, governance and compliance issues and all other matters of importance to the company. The Administrative Board examined important business transactions and decided on fundamental transactions that require its approval in accordance with the law, the articles of association or the rules of procedure of the Managing Directors. Two resolutions were passed by the Administrative Board by way of circular resolution. All members of the Administrative Board took part in these resolutions.

Outside of its meetings, the Administrative Board was regularly, promptly and comprehensively informed by the Managing Director about the implementation of adopted resolutions and about current significant business transactions. The Chairman of the Administrative Board was also in regular contact with the Managing Director and was informed of all significant developments and upcoming decisions.

Focus of the activities of the Administrative Board

At its meetings, the Administrative Board dealt with various individual topics in addition to issues relating to current business development and the Company's situation. One focus was the sale of the shares in the two companies CERDIOS SE and AVERDION SE. In this context, the Administrative Board was continuously informed about the status of the sales process. Another focus was the preparation of the company's IPO in the form of the admission of the company's shares to trading on the regulated market of the Munich Stock Exchange, which finally took place in August 2024. In the reporting year, the Administrative Board also dealt with risk management, governance and compliance issues as well as safeguarding the Company's competitiveness.

Due to the small size of the Administrative Board of only three members, the Administrative Board has so far refrained from forming committees, with the exception of the Audit Committee, which is required by law. In this context, the company would like to point out that the Administrative Board is also the Audit Committee within the meaning of Section 107 para. 3 sentence 2 AktG due to the fact that it only has three members in accordance with Section 107 para. 4 sentence 2 AktG. The tasks assigned to the Audit Committee of monitoring the management, in particular the audit of the accounting and monitoring of the accounting process, the effectiveness of the internal control system, the risk management system, internal auditing and compliance are therefore carried out by the Administrative Board as a whole. The tasks of clarifying issues relating to the necessary independence of the auditor, determining key audit areas and details of the fee agreement are also carried out by the Administrative Board as a whole.

In accordance with § 100 (5) AktG and the recommendations of the German Corporate Governance Code, Dr. Alexander Lindemann has expertise in the field of accounting and Dr. Ariel Sergio Davidoff has expertise in the field of auditing.

Corporate Governance and Declaration of Conformity

By circular resolution, the Administrative Board adopted its declaration of compliance with the German Corporate Governance Code with a few exceptions, taking into account the special features of the monistic system of VELTARION SE. The company fulfills the recommendations of the Code. The current declaration of conformity of the Administrative Board is published on the Company's website (www.veltarion.de, under the "Investor Relations" tab).

Annual Financial Statements, Audit

Mazars GmbH & Co KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Berlin, has audited the annual financial statements 2023 of VELTARION SE - consisting of the balance sheet as of December 31, 2023, the income statement, the cash flow statement and the statement of changes in equity for the financial year from January 1, 2023 to December 31, 2023, as well as the notes, including the presentation of the accounting and valuation methods - and has issued an unqualified audit opinion. In the opinion of Mazars GmbH & Co KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, the annual financial statements comply in all material respects with the requirements of German commercial law applicable to corporations and give a true and fair view of the net assets and financial position of the company as at December 31, 2023 and of its results of operations for the financial year from January 1, 2023 to December 31, 2023 in accordance with German principles of proper accounting.

The Administrative Board discussed the financial statement documents and the auditor's report in detail at its meeting on January 31, 2024. The auditors attended this meeting, reported on the key findings of their audit and were available to answer additional questions and provide further information. After examining and discussing the annual financial statements, the Administrative Board approved the results of the audit by the auditor. No objections were raised following the final result of the audit by the Administrative Board. The Administrative Board has therefore approved the annual financial statements prepared by the Managing Director. The annual financial statements are thus adopted.

Composition of the Administrative Board and Managing Director

In the 2023 financial year and thereafter, the company's Administrative Board consisted of the following members

- Dr. Alexander Lindemann, Chairman of the Administrative Board
- Dr. Jakob Schaad, Deputy Chairman of the Administrative Board
- Dr. Ariel Sergio Davidoff, member of the Administrative Board and sole Managing Director

In the 2023 financial year and thereafter, Dr. Ariel Sergio Davidoff was or is the sole Managing Director.

The Administrative Board would like to thank the Managing Director of VELTARION SE for his work in the year 2023 and thereafter.

Berlin, September 2024

The Administrative Board

Dr. Alexander Lindemann
Chairman

Dr. Jakob Schaad
Deputy
Chairman

Dr. Ariel Sergio Davidoff