



**hGears AG**

**Virtual Annual General Meeting 2022**

**Explanations on agenda item 1, for which no resolution is adopted**

**Presentation of the approved hGears AG annual financial statements and the approved consolidated financial statements, the management report of hGears AG and the hGears Group, the explanatory of the Executive Board with respect to the disclosures in accordance with sections 289a and 315a of the German Commercial Code (Handelsgesetzbuch – HGB) and the report of the Supervisory Board for financial year 2021**

The Supervisory Board approved the annual financial statements and the consolidated financial statements prepared by the Executive Board in accordance with section 172 of the German Stock Corporation Act (*Aktiengesetz – AktG*); the annual financial statements are thus adopted. The Annual General Meeting is therefore not required to pass a resolution on this Item 1 of the agenda.

The annual financial statements of hGears AG as of 31 December 2021, prepared in accordance with the provisions of the German Commercial Code (*Handelsgesetzbuch – HGB*), show a net loss. Therefore, the agenda of this year's Annual General Meeting does not contain any item that provides for a resolution of the Annual General Meeting on the appropriation of the balance sheet profit.