

Explanations with regard to item 1 of the agenda

PRESENTATION OF THE HGEARS AG'S ADOPTED ANNUAL FINANCIAL STATEMENTS AND THE APPROVED CONSOLIDATED FINANCIAL STATEMENTS, THE MANAGEMENT REPORT OF HGEARS AG AND THE HGEARS GROUP, THE EX-PLANATORY REPORT OF THE MANAGEMENT BOARD ON THE DISCLOSURES IN ACCORDANCE WITH SECTIONS 289A, 315A OF THE GERMAN COMMERCIAL CODE (HANDELSGESETZBUCH – "HGB")) AND THE REPORT OF THE SUPERVISORY BOARD FOR FISCAL YEAR 2023

The Supervisory Board approved the annual financial statements and the consolidated financial statements prepared by the Management Board in accordance with section 172 AktG; the annual financial statements are thus adopted. The Annual General Meeting is therefore not required to adopt a resolution on this item 1 of the agenda.

The annual financial statements of hGears AG as of December 31, 2023, which were prepared in accordance with the provisions of the HGB, show a net accumulated loss. The agenda for this year's Annual General Meeting therefore does not contain any item requiring a resolution by the Annual General Meeting on the appropriation of net retained profits.

The documents to be made available to the Annual General Meeting shall be accessible on the Company's website at <https://ir.hgears.com/annual-general-meeting/> as soon as possible after the convening of the meeting.

Schramberg, April 2024

hGears AG

The Management Board