

This English version of the agenda for the ordinary general meeting of Varengold Bank AG is for information purposes only. Legally binding is solely the German version of the agenda.

Varengold Bank AG
with its registered office in Hamburg

ISIN: DE0005479307 - WKN: 547 930
ISIN: DE000A254W45 - WKN A254W4

Invitation to the Ordinary General Meeting

held as a virtual General Meeting without the physical presence of the shareholders

We hereby invite our shareholders to the Ordinary General Meeting to be held on

Wednesday 25 November 2020 at 11.00 am

in the form of a virtual General Meeting as defined in Section 2 (1)(2) of the 'Act to Mitigate the Consequences of the COVID-19 Pandemic under Civil, Insolvency and Criminal Procedure Law' (BGBl. I 2020 (Federal Law Gazette), p. 569) and thus without the physical presence of the shareholders or their proxies. A video and audio feed of the entire General Meeting will be broadcast live online.

The shareholders and their proxies will only be able to exercise voting rights through absentee voting or by delegating authority to one of the voting proxies appointed by the Company. Please take particular note of the provisions regarding the required registration for the General Meeting. The venue for the General Meeting as laid down in the German Stock Corporation Act (AktG) shall be the Company's premises at Grosse Elbstrasse 14, 22767 Hamburg, Germany. Please note that shareholders or their proxies may not follow the virtual General Meeting at the venue.

I.

Agenda

- 1. Presentation of the approved annual financial statements and the management report of Varengold Bank AG as at 31 December 2019 as well as the report of the Supervisory Board for the 2019 financial year**
- 2. Resolution on the formal approval of the actions of the members of the Board of Managing Directors for the 2019 financial year**

The Board of Managing Directors and Supervisory Board propose that the actions of the members serving on the Board of Managing Directors during the 2019 financial year be formally approved.

- 3. Resolution on the formal approval of the actions of the members of the Supervisory Board for financial year 2019**

The Board of Managing Directors and Supervisory Board propose that the actions of the members serving on the Supervisory Board during the 2019 financial year be formally approved.

4. Appointment of auditors for the 2020 financial year

The Supervisory Board proposes to elect PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, as auditor for the 2020 financial year.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft has declared to the Supervisory Board that there are no professional, financial, personal or other relationships in place between itself, its executive bodies and staff responsible for the audit on the one hand, and Varengold Bank AG and its executive bodies on the other hand, that could cast doubt on its independence.

5. Resolution on the amendment of Article 17 of the Articles of Association (in Sections 5, 9 and 10)

With effect from 3 September 2020, the requirements in respect of the proof to be provided in order to participate in the General Meeting and to exercise voting rights have been amended by the Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie ('ARUG II') [Second Shareholders Rights Directive Act]. In the case of bearer shares held by listed companies, proof from the last intermediary pursuant to the newly inserted Section 67c (3) AktG shall be sufficient in future for participation in the General Meeting or the exercise of voting rights in accordance with amended Section 123 (4)(1) AktG. In addition, Section 128 AktG on the transmission of notifications pursuant to Section 125 AktG and the option in Section 125 (2)(2) AktG (old version) to restrict the transmission of information pursuant to Section 125 AktG to electronic communication in the Articles of Association, has been removed by the ARUG II and not replaced.

Pursuant to Article 17 (5) of the Company's Articles of Association, in line with the previous valid version of Section 123 (4)(1) AktG, proof of shareholding issued by the custodial bank in written or electronic form in German or English is required in order to participate in the General Meeting and exercise voting rights. Article 17 (9) and (10) of the Company's Articles of Association also refers to Sections 125 and 128 AktG.

In order to avoid deviation in the Articles of Association and statutes from the regulations regarding this proof for participation in the Company's General Meeting or to exercise voting rights as well as regarding the transmission of notifications pursuant to Section 125 AktG, the following proposed resolution is intended to approve the relevant amendment of the Articles of Association.

The Board of Managing Directors and the Supervisory Board therefore propose:

a) Article 17 (5) of the Company's Articles of Association shall be reworded as follows:

'(5) Shareholders shall prove their right to participate in a General Meeting using a shareholding certificate issued by their custodian bank in written or electronic form (Section 126b BGB) in German or English and based on the start of the 21st day prior to the meeting; proof from the last intermediary pursuant to Section 67c (3) AktG shall be sufficient for this purpose. Proof must be received by the Company at least six days prior to the meeting at the address provided for this purpose in the notice convening the meeting. The Board of Managing Directors is authorised to shorten this deadline in the notice convening the meeting.'

b) *'Article 17 (9) and (10) of the Articles of Association will be removed and not replaced.'*

c) Consequently, the Articles of Association will be renumbered:

'Article 17 (11) of the Articles of Association will become Article 17 (9).'

In all other respects, Article 17 of the Company's Articles of Association will remain unchanged.

6. Resolution on the revocation of the Authorised Capital 2018 in Article 4 (2) of the Articles of Association and the Authorised Capital 2019 in Article 4 (3) of the Articles of Association as well as resolution on the creation of new Authorised Capital 2020 with the authorisation to exclude the subscription rights of the shareholders and the corresponding amendments to Article 4 of the Articles of Association

In February 2020, Varengold Bank AG performed a capital increase excluding existing shareholders' subscription rights making partial use of the Authorised Capital 2018 (created by the Company's Ordinary General Meeting on 21 August 2018 under agenda item 8) and 2019 (created by the Company's Ordinary General Meeting on 28 August 2019 under agenda item 7). In the process, the Company issued a total of 727,381 new, ordinary bearer Company shares excluding shareholders' subscription rights. This means that the Authorised Capital 2018 and 2019 can no longer be fully utilised (Authorised Capital 2018 currently stands at EUR 2,484,211.00 and Authorised Capital 2019 currently stands at EUR 1,446,225.00). In light of this, the intention is to revoke the Authorised Capital 2018 in Article 4 (2) of the Articles of Association and the Authorised Capital 2019 in Article 4 (3) of the Articles of Association and create new Authorised Capital 2020. The creation of new Authorised Capital 2020 with the authorisation to exclude shareholders' subscription rights should put the Company in a position to continue being sufficiently flexible over the coming years and able to react quickly to market conditions and adjust its equity capital resources in a flexible manner in line with the requirements that arise.

The Board of Managing Directors and the Supervisory Board therefore propose the following

resolution:

a) Revocation of the Authorised Capital 2018 in Article 4 (2) of the Articles of Association

The Authorised Capital 2018 in accordance with Article 4 (2) of the Articles of Association shall be revoked upon entry of the Authorised Capital 2020, assuming use has not been made of the Authorised Capital 2018 at the time this revocation takes effect.

b) Revocation of the Authorised Capital 2019 in Article 4 (3) of the Articles of Association

The Authorised Capital 2019 in accordance with Article (4)(3) of the Articles of Association shall be revoked upon entry of the Authorised Capital 2020, assuming use has not been made of the Authorised Capital 2019 at the time this revocation takes effect.

c) Creation of Authorised Capital 2020

The Board of Managing Directors is authorised until 24 November 2025 with the approval of the Supervisory Board to increase the Company's share capital on one or more occasions up to a total of EUR 5,021,507.00 by issuing up to 5,021,507 new, no-par value bearer shares ('ordinary shares'), each with a proportionate interest in the share capital of EUR 1.00 against cash or non-cash contributions ('**Authorised Capital 2020**'). Ordinary shares and/or non-voting preferential shares may be issued. The new shares can also be acquired by one or more banks stipulated by the Board of Managing Directors or companies which operate according to Section 53 (1)(1) or Section 53b (1)(1) or (7) KWG (Kreditwesengesetz [German Banking Act]) with the obligation to offer these to the shareholders (indirect subscription right). The Board of Managing Directors is authorised, with the approval of the Supervisory Board, to exclude the subscription rights of shareholders, in particular in the following cases:

- for capital increases against contributions in kind, in particular for the granting of shares in the context of company mergers or for the purpose of acquiring companies, operations, parts of companies or interests in companies or other assets, including any claims against the Company or its affiliated companies;
- to eliminate fractional shares;
- if, in the event of capital increases against cash contributions, the issue price for the new shares is not significantly lower than the stock market price of the already listed shares on the date on which the issue price is finally set, and the issued shares do not exceed a total of 10% of the share capital on the date this authorisation takes effect or on the date this authorisation was exercised. Shares sold under exclusion of subscription rights or issued and/or due to be issued

during the term of this authorisation until the time of their utilisation on the basis of other authorisations in direct or analogous application of Section 186 (3)(4) AktG should also be counted against this limit;

- to the extent necessary to grant the holders of convertible bonds, convertible participation rights or options a subscription right of the same extent that they are due as a shareholder after exercising the conversion privilege and/or option right;
- for distribution of shares to members of the Board of Managing Directors, executive management organisations of the Company or affiliated companies within the meaning of Section 15 AktG, executives of the Company and/or affiliated companies, or employees of the Company and/or its affiliated companies under employee participation schemes. Where shares are to be given to members of the Board of Managing Directors, this shall be the sole responsibility of the Company's Supervisory Board;
- in order to fulfil a greenshoe option agreed with issuing banks for the issue of the Company's shares.

A capital increase excluding subscription rights to implement employee equity participation schemes may only be performed at most in the amount of 10% of the share capital in existence when the new shares are issued.

The Board of Managing Directors is authorised, with the approval of the Supervisory Board, to define the further details and terms of the capital increases from the Authorised Capital and the share issue. The new shares can also carry a profit-sharing entitlement in derogation from Section 60 (2) AktG; in particular, the new shares may also carry an entitlement to dividends from the start of the financial year preceding their issue, if, at the time of the issue of the new shares, a resolution on the appropriation of profits for that financial year has not yet been passed by the General Meeting.

The Supervisory Board is authorised to change the wording in Article 4 of the Articles of Association in line with the corresponding use or after the authorisation has expired.

(d) Amendment to Article 4 of the Articles of Association

Article 4 (2) of the Articles of Association will be removed and reworded as follows; Article 4 (3) will be removed and not replaced and remains unaffected:

'(2) The Board of Managing Directors is authorised until 24 November 2025, with the approval of the Supervisory Board, to increase the Company's share capital on one or several occasions by

up to EUR 5,021,507.00 by issuing up to 5,021,507 new, no-par value bearer shares (ordinary shares), each with a proportionate interest in the share capital of EUR 1.00 against cash or non-cash contributions ('Authorised Capital 2020'). Ordinary shares and/or non-voting preferential shares may be issued. The new shares can also be acquired by one or more banks stipulated by the Board of Managing Directors or companies which operate according to Section 53 (1)(1) or Section 53b (1)(1) or (7) KWG (Kreditwesengesetz [German Banking Act]) with the obligation to offer these to the shareholders (indirect subscription right). The Board of Managing Directors is authorised, with the approval of the Supervisory Board, to exclude the subscription rights of shareholders, in particular in the following cases:

- for capital increases against contributions in kind, in particular for the granting of shares in the context of company mergers or for the purpose of acquiring companies, operations, parts of companies or interests in companies or other assets, including any claims against the Company or its affiliated companies;
- to eliminate fractional shares;
- if, in the event of capital increases against cash contributions, the issue price for the new shares is not significantly lower than the stock market price of the already listed shares on the date on which the issuing amount is finally set, and the issued shares do not exceed a total of 10% of the share capital on the date this authorisation takes effect or on the date this authorisation was exercised. Shares sold under exclusion of subscription rights or issued and/or due to be issued during the term of this authorisation until the time of their utilisation on the basis of other authorisations in direct or analogous application of Section 186 (3)(4) AktG should also be counted against this limit;
- to the extent necessary to grant the holders of convertible bonds, convertible participation rights or options a subscription right of the same extent that they are due as a shareholder after exercising the conversion privilege and/or option right;
- for distribution of shares to members of the Board of Managing Directors, executive management organisations of the Company or affiliated companies within the meaning of Section 15 AktG, executives of the Company and/or affiliated companies, or employees of the Company and/or its affiliated companies under employee participation schemes. Where shares are to be given to members of the Board of Managing Directors, this shall be the sole responsibility of the Company's Supervisory Board;
- in order to fulfil a greenshoe option agreed with issuing banks for the issue of the Company's shares.

A capital increase excluding subscription rights to implement employee profit-sharing schemes may only be performed up to a total of 10% of the share capital in existence when the new shares are issued.

The Board of Managing Directors is authorised, with the approval of the Supervisory Board, to define the further details and terms of the capital increases from the Authorised Capital and the share issue. The new shares can also carry a profit-sharing entitlement in derogation from Section 60 (2) AktG; in particular, the new shares may also carry an entitlement to dividends from the start of the financial year preceding their issue, if, at the time of the issue of the new shares, a resolution on the appropriation of profits for that financial year has not yet been passed by the General Meeting.

The Supervisory Board is authorised to change the wording in Article 4 of the Articles of Association in line with the corresponding use or after the authorisation has expired.'

Report by the Board of Managing Directors pursuant to Sections 186 (4)(2), 203 (1) and (2) AktG under agenda item 6

Report by the Board of Managing Directors pursuant to Sections 186 (4)(2), 203 (1) and (2) AktG under agenda item 6 – Creation of Authorised Capital 2020

1. Creation of Authorised Capital 2020

Under agenda item 6, the Board of Managing Directors and Supervisory Board propose creating Authorised Capital 2020. The scope of the Authorised Capital 2020 relates to 50% of the Company's current share capital. The Authorised Capital 2018 (created by the Company's Ordinary General Meeting on 21 August 2018 under agenda item 8) and 2019 (created by the Company's Ordinary General Meeting on 28 August 2019 under agenda item 7) will be revoked.

2. Exclusion of subscription rights within the framework of Authorised Capital 2020

Within the framework of the Authorised Capital 2020 to be newly approved under agenda item 6, the Board of Managing Directors hereby submits the following report regarding the authorisation to exclude subscription rights.

a) Exclusion of subscription rights for capital increases against non-cash contributions

The option to exclude subscription rights in conjunction with corporate mergers or for the purpose of acquiring companies, operations, parts of companies or interests in companies or other assets,

including any claims against the Company or its affiliated companies should help to allow such transactions to be performed in a timely manner which preserves liquidity. The Company faces strong competition and has to be able to respond rapidly and flexibly to changes on the market in the interests of both the Company and its shareholders. This also includes the opportunity to merge with other companies or acquire companies, operations, parts of companies or interests in companies, and also to acquire strategic and other investors.

In individual cases, the Company must be able to rapidly implement a corporate merger or acquisition of a company, an operation, part of a company, interest in another company or other assets, including any claims against the Company or its affiliated companies, or to acquire an investor in the interests of both the Company and its investors. It is not unusual for attractive acquisition opportunities to materialise only if the Company is able to offer shares with voting rights in return. In order to exploit such opportunities, the Company must be able to offer shares in return in a swift manner. The proposed authorisation to exclude subscription rights should provide the Company with the requisite ability to act in order to exploit opportunities that present themselves for such transactions quickly and flexibly. Although excluding subscription rights would reduce the proportionate shareholding and the proportionate share of voting rights of the previous shareholders, on granting subscription rights to shareholders, the actual purpose of being able to respond quickly and flexibly might not be achieved.

At present, there are no specific acquisition plans that would require this authorisation to be exercised. If opportunities for a corporate merger or to acquire companies, operations, parts of companies or interests in companies or other assets or to acquire major investors should present themselves, the Board of Managing Directors will carefully review whether it will use the authorisation for a capital increase for this purpose. It will only use such an opportunity if conducting such a transaction, in particular the issue of new shares while excluding subscription rights, is in the Company's best interests. The Supervisory Board will only issue the requisite approval if these conditions have been met.

b) Exclusion of subscription rights for fractional amounts

The Board of Managing Directors should also continue to be authorised, with the approval of the Supervisory Board, to exclude the statutory subscription rights of the shareholders for fractional shares. Such an exclusion of subscription rights should enable a viable subscription ratio and thus make technical processing of a capital increase easier. The value of fractional shares is typically low, whereas the expense for the issue of shares without the exclusion of subscription rights for fractional shares is often significantly higher. The costs of trade in subscription rights for fractional shares would not be beneficial to shareholders in any reasonable way. The new shares excluded from the shareholders' subscription rights as so-called 'free fractions' will be realised in the manner most beneficial for the Company. The exclusion of subscription rights in such cases therefore aims

to ensure practicability and make the implementation of a share issue easier.

c) Exclusion of subscription rights for capital increases against cash contributions

The Board of Managing Directors should be authorised with the approval of the Supervisory Board to exclude shareholders' subscription rights in the event of cash capital increases in accordance with Section 203 (1)(1) and (2), and Section 186 (3)(4) AktG if the issuing amount of the new shares is not significantly lower than the stock market price of any shares already listed. Use of this option to exclude subscription rights may be appropriate in order to be able to exploit favourable market conditions quickly and flexibly as well as cover at very short notice any capital requirements that arise here. The two-week subscription period required when granting subscription rights for shareholders (Section 203 (1)(1) AktG in conjunction with Section 186 (1)(2) AktG) does not allow for a comparable response at short notice to current market conditions. In addition, due to the volatility of the stock markets, market-based conditions can typically only be achieved if the Company is not tied to them over an extended period. When granting subscription rights, Section 203 (1)(1) AktG in conjunction with Section 186 (2) AktG stipulates that the final subscription price is disclosed at the latest three days prior to the end of the subscription period. As a result, there is a higher market risk when granting subscription rights – including in particular the risk of price change existing over several days – than in the case of an issue without subscription rights.

In order to ensure successful placement when granting subscription rights, it is therefore necessary to apply adequate haircuts to the current stock market price on a regular basis; this will typically lead to less favourable conditions for the Company than a capital increase completed subject to exclusion of subscription rights. Placement close to the stock market price is achieved by excluding subscription rights. It is also the case, when granting subscription rights due to uncertainty regarding the exercising of subscription rights by the beneficiary shareholders, that a complete placement cannot be readily ensured, and any subsequent placement involving third parties is typically associated with additional costs.

The amount of the share capital, which applies to shares issued excluding such subscription rights, must not exceed a total of 10% of the share capital on the date this authorisation takes effect or on the date this authorisation was exercised. Within this framework, the legislative authority works on the assumption that it is possible and appropriate for shareholders to maintain their shareholding by making purchases on the market.

This limit of 10% of the share capital must include the proportionate amount of share capital attributable to shares that are sold, subject to the exclusion of subscription rights, during the term of the Authorised Capital 2020, based on the authorisation to sell own shares in accordance with Section 71 (1) No. 8 (5), and Section 186 (3)(4) AktG. This must also include the proportionate amount of share capital attributable to shares that are issued, subject to the exclusion of

shareholders' subscription rights, during the term of the Authorised Capital 2020, based on other authorisations to issue Company shares, in direct or corresponding application of Section 186 (3)(4) AktG. Furthermore, this must also include the proportionate amount of share capital attributable to shares that are issued and/or may or need to be issued to service debt securities with conversion or option rights and/or conversion or option obligations, provided the debt securities are issued, subject to the exclusion of shareholders' subscription rights, during the term of the Authorised Capital 2020, in corresponding application of Section 186 (3)(4) AktG. These inclusions aim to protect shareholders in order to keep the dilution of their investment as low as possible. This inclusion model ensures that the shareholding of shareholders is not diluted by more than 10% , even if there is linking of capital measures and the issue of debt securities and/or the sale of own shares.

Shareholders will otherwise generally have the opportunity to acquire the shares required to maintain their shareholding at approximately the same conditions via the stock market, due to the fact that the new shares are issued at a near-market price and due to the size limit on the capital increase without subscription rights. This therefore ensures that, in accordance with the legal assessment in Section 186 (3)(4) AktG, asset-related and voting interests will remain appropriately protected in the event of utilisation of Authorised Capital 2020 excluding subscription rights, while the Company is given additional room for manoeuvre in the interests of all shareholders.

d) Exclusion of subscription rights for convertible bonds, convertible participation rights or option rights

In addition, provision is also made to allow the Board of Managing Directors to exclude shareholder subscription rights with the approval of the Supervisory Board when granting subscription rights to the holders of convertible bonds, convertible participation rights or options. This exclusion of subscription rights may be necessary in order to structure the terms and conditions of convertible bonds, convertible participation rights or options when issuing convertible bonds, convertible participation rights or options so these are accepted by the capital markets. The exclusion of subscription rights therefore also serves the interest of the shareholders in an optimum financial structure of their company.

The background to this is as follows: The economic value of the so-called debt securities with conversion or option rights and/or conversion or option obligations not only depends on the conversion and/or option price, but also particularly on the value of the Company shares that the conversion or option rights and/or conversion or option obligations relate to. In order to ensure successful placement of the relevant debt securities and/or avoid a corresponding price deduction upon placement, it is therefore typically the case that the bond terms and conditions will include so-called dilution protection clauses, which protect beneficiaries from a loss in value

in their conversion or option rights as a result of dilution of the shares to be purchased.

Any subsequent share issues subject to granting of subscription rights would typically result in dilution without any protection against dilution in place. The aforementioned dilution protection provisions in the bond terms and conditions typically stipulate in such cases a reduction in the conversion or option price, with the consequence that funds received by the Company would reduce and/or the number of shares to be issued by the Company would increase in the event of the subsequent conversion or exercise of the option and/or subsequent fulfilment of a conversion or option obligation.

As an alternative, which aims to avoid a reduction in the conversion or option price, the dilution protection provisions will typically allow subscription rights for new shares to be granted to the beneficiaries from debt securities with conversion or option rights and/or conversion or option obligations, doing so to the extent they would be entitled to after exercising their own conversion and/or option rights and/or after fulfilling their conversion and/or option obligations. They are thus treated as though they had already been shareholders and beneficiaries to this extent as well by exercising the conversion and/or option rights and/or fulfilling the conversion and/or option obligations; as is the case for all shareholders already holding a stake, they would be compensated for the dilution by the value of the subscription rights.

The benefit to the Company for this second alternative form of granting protection against dilution is the fact that the conversion or option price does not need to be reduced; it therefore ensures the greatest possible flow of funds in the event of any subsequent conversion or exercise of the option and/or subsequent fulfilment of a conversion or option obligation and/or reduces the number of shares to be issued in such cases. This also benefits the shareholders holding a stake so that they are compensated at the same time for the restriction in their subscription rights. Their subscription rights are retained as such and are only reduced proportionately to the extent in which subscription rights are granted both to the shareholders holding a stake as well as to the holders of conversion and/or option rights and/or debt securities with conversion or option obligations. This authorisation enables the Company, in cases where subscription rights are issued, to be able to choose from the alternative forms of granting protection against dilution, as illustrated above, in taking into account the interests of shareholders and the Company.

e) Exclusion of subscription rights for employee participation schemes

It should also be possible to use the Authorised Capital 2020 excluding subscription rights to generate shares to serve employee participation schemes. This should increase the Company's flexibility to be able to attract highly qualified executives over the short term.

It is standard practice, both in Germany and abroad, to offer performance-related incentives to

the managers and employees of a company in order to retain their services for the company in the long term. The Board of Managing Directors and Supervisory Board consider a long-term employee profit-sharing scheme to be a necessary measure in order to ensure the Company remains an attractive choice in future for highly qualified managers and employees. The Company should therefore be able to offer selected managers and employees suitable remuneration components for purchasing shares. This should help to further enhance the Company's profile as an attractive option in the competition for managers and employees.

In particular, the option to purchase shares as part of a long-term employee profit-sharing scheme should help to create a special performance incentive, which is measured in the form of the price of the Company's stock and the increasing value of the Company. As a result, the interests of managers and employees, as well as the interests of shareholders, are focused on increasing the value of the Company. This also benefits shareholders through the resulting positive impact on the stock market price. Managers and employees can participate in this by having the option to purchase shares.

In this case, the scope of a capital increase from the Authorised Capital 2020 excluding subscription rights to service employee profit-sharing schemes shall be restricted to 10% of the existing share capital. Where shares are to be given to members of the Board of Managing Directors, this shall be the sole responsibility of the Company's Supervisory Board.

f) Exclusion of subscription rights in the case of cash capital increases with greenshoe option

Finally, an exclusion of subscription rights shall also be permitted in order to fulfil a greenshoe option agreed with issuing banks for the issue of shares as part of a cash capital increase. A capital increase made against cash contributions allows the Company's capital requirements to be covered in an easy and flexible manner, something which is of particular importance given the potential for future expansion of the Company. The so-called greenshoe is an over-allotment option that is used when issuing Company shares to precisely determine placement volume and stabilise price. As a result, the issuing banks not only assign the planned placement volume, but also a certain number of additional shares made available in a different manner (typically up to 15% of the actual planned placement volume). In the case of illiquid shares, there may initially be significant price fluctuations following share issues as stable market equilibrium has yet to be established. This can result in pressure to sell which is not desirable from the perspective of the Company and the shareholders.

As a result, it is useful for the supervising issuing bank(s) to introduce price stabilising measures. Issuing banks can therefore purchase shares on the market in order to cushion any fall in price occurring directly after placement. With regard to such stabilisation measures, other Company shares may also be issued to investors by the issuing banks in addition to the new shares offered

as part of the offering ('Over-allotment'). In order to cover this over-allotment, shares from the holdings of existing shareholders will be made available to the issuing banks through securities loans. If there is no buy-back of shares on the market by the issuing banks, the cash capital increase from Authorised Capital excluding subscription rights will be used to enable the issuing bank(s) to fulfil their reassignment obligation arising from the securities loans, either in full or in part. The number of shares required for this purpose cannot generally be acquired in a similarly cost-effective manner elsewhere. As a result, covering purchases on the market at higher prices and the resulting losses can be avoided.

A greenshoe over-allotment option therefore enables better exploitation of market potential with regard to pricing. Given that this provides investors with a certain degree of security regarding price development in their own interests, they are often willing to pay a higher subscription price. Thanks to this stabilisation, the over-allotment option also leads to an increase in revenue generated from the issue and is consequently in the interests of both the Company and the shareholders. This exclusion of subscription rights is therefore deemed appropriate and necessary to fulfil the purpose in question, and must also be regarded as appropriate when weighing up the interests of the Company against the interests of the shareholders.

g) Assessment

Given the circumstances set out above, and considering both the Company's and the shareholders' interests, the Board of Managing Directors and the Supervisory Board believe that excluding subscription rights in these cases is justified and reasonable.

It has not yet been possible to provide details of the respective issue amounts. These shall be set at an appropriate level by the Board of Managing Directors with the approval of the Supervisory Board, taking into account the interests of the Company and shareholders and the respective purpose when exercising authorisation.

3. Report by the Board of Managing Directors on the use of the Authorised Capital 2020

At present, there are no specific plans that would require this authorisation to be exercised.

In each individual case, the Board of Managing Directors will carefully check whether it will make use of the respective authorisation for a capital increase while excluding shareholders' subscription rights. It will only do this if the Board of Managing Directors and Supervisory Board consider this to be in the interests of the Company and, thus, shareholders, taking into account the terms and conditions of the capital increase. The Board of Managing Directors will inform the shareholders of any use of the Authorised Capital 2020 in each case at the following Ordinary General Meeting.

4. Availability of this report

Following the convening of this General Meeting, the previous report by the Board of Managing Directors in accordance with Section 186 (4)(2) and Section 203 (1) and (2) AktG can also be obtained online at <https://www.varengold.de> -> About Varengold -> Investor Relations -> General Meeting (<https://www.varengold.de/investor-relations/hauptversammlung/>).

II.

Availability of documents on the website

The documents for this year's Ordinary General Meeting to be made available to shareholders can be downloaded from the Company's website at

<https://www.varengold.de/investor-relations/hauptversammlung/>

. The voting results will be published at the same web address after the General Meeting.

III.

Additional information and notes

As holding the General Meeting as a virtual general meeting based on the 'Law on measures in corporate, cooperative, association, foundation and residential property law to combat the effects of the COVID-19 pandemic' ('**COVID-19 Act**') leads to some modifications in terms of how the meeting proceeds and how shareholders exercise their rights, we ask our shareholders to pay particular attention to the following information on the option to follow the General Meeting via a video and audio feed, exercising voting rights, asking questions as well as other shareholder rights.

1. General Meeting without the physical presence of the shareholders or their proxies

The General Meeting will be held as a virtual General Meeting without the physical presence of the shareholders or their proxies (with the exception of the Company's voting proxies) in compliance with Section 1 (2) of the **COVID-19 Act**.

2. Video and audio feed of the General Meeting

The entire General Meeting will be broadcast to shareholders as a video and audio feed on the online platform at

<https://www.varengold.de/investor-relations/hauptversammlung/>

Only those shareholders who register for the General Meeting and provide proof of their shareholding will be able to follow the entire General Meeting online. Voting by electronic absentee voting, delegating authority and issuing instructions to the Company's voting proxy

electronically via the website online platform will also require timely registration for the General Meeting and registration (login) on the website online platform using the relevant login credentials. Please see '**IV. Technical information**' below regarding the technical requirements for participation in a virtual General Meeting. Electronic participation by shareholders in the General Meeting in accordance with Section 118 (1)(2) AktG is excluded.

3. Requirements for following the virtual General Meeting online and exercising voting rights

a) Registration

Registration must be in writing (Section 126 BGB [German Civil Code]) or in electronic form (Section 126b BGB) in German or English. Shareholders shall prove their eligibility to participate in the General Meeting using a shareholding certificate issued by their custodian bank in electronic form (Section 126b BGB) in German or English and based on the start of the 21st day prior to the General Meeting, i.e. **Wednesday 4 November 2020, 0:00 am**. The registration and shareholding certificate must be received at the following address at the latest by midnight on Wednesday 18 November 2020:

Varengold Bank AG
c/o UBJ GmbH
Kapstadtring 10
22297 Hamburg, Germany
Fax: +49 (40) 6378 5423
Email: hv@ubj.de

b) Delegation of authority; procedure for exercising voting rights by proxies

Shareholders who do not wish to follow the General Meeting personally and/or exercise their voting rights in person, may be represented by a proxy, for example, an intermediary, shareholders' association, voting rights adviser or any other person. The prerequisite for the exercise of voting rights by proxies is correct and timely registration for the General Meeting.

The delegation of authority, its revocation and proof of authorisation must be provided to the Company in written or electronic form.

Once they have registered, shareholders will receive a form for delegating authority to a proxy together with their login credentials. The form for delegating authority to a proxy is also available to download at

<https://www.varengold.de/investor-relations/hauptversammlung/>

The delegation of authority, its revocation and proof of authorisation using the forms provided should be sent to the following address:

Varengold Bank AG
Investor Relations – 2020 Ordinary General Meeting
Große Elbstraße 14
22767 Hamburg, Germany
Fax: +49 (40) 66 86 49 49
Email: hv@varengold.de

From **4 November 2020**, the delegation of authority and its revocation may also be effected and submitted electronically using the Company's online platform at

<https://www.varengold.de/investor-relations/hauptversammlung/>

Intermediaries, shareholders' associations, voting rights advisers and persons treated as such under the German Stock Corporation Act (AktG) may, within the scope of the special provisions of the AktG (Section 135 AktG), stipulate different requirements for the delegation of authority to be granted to them. These requirements can be requested from the respective proxy.

Proxies (with the exception of voting proxies appointed by the Company) may not attend the General Meeting in person. They may only exercise voting rights for the shareholders they represent by means of absentee voting or by granting a sub(proxy) to the Company's voting proxies. If a shareholder authorises more than one person to represent him/her, the Company may reject one or more of these persons.

c) Exercise of voting rights by delegating authority and issuing instructions to Company voting proxies

Furthermore, the Company offers its shareholders the option of being represented in the exercise of their voting rights by proxies appointed by the Company who are bound by instructions. If shareholders delegate authority to voting proxies appointed by the Company, they must give these proxies instructions on how to exercise voting rights in every case. Without such instructions, the proxy is invalid. Company voting proxies are obliged to vote as instructed.

Delegations of authority and instructions to voting proxies appointed by the Company may be submitted electronically via the Company's online platform, which will be available at

<https://www.varengold.de/investor-relations/hauptversammlung/>

from 4 November 2020. This option will remain available until the start of voting at the General Meeting.

Alternatively, delegations of authority and instructions to voting proxies appointed by the Company may be submitted by **24 November 2020 (received by the Company)** using the proxy forms provided by the Company for this purpose. Shareholders will receive these proxy forms together with their access card once they have registered. For organisational reasons, delegation

of authority and instructions for the voting proxies appointed by the Company must be sent to the following address by no later than 24 November 2020 (received by the Company):

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d) Procedure for exercising voting rights by absentee voting

Shareholders may also cast their votes electronically or in writing, without participating in the General Meeting ('absentee voting'). The prerequisite for exercising voting rights through absentee voting is correct and timely registration for the General Meeting.

The Company's online platform at

<https://www.varengold.de/investor-relations/hauptversammlung/>

will be available for electronic absentee voting from **4 November 2020** until the start of voting at the General Meeting. Shareholders will receive access details once they have registered.

Alternatively, shareholders may use the form sent together with the access card for absentee voting once they have registered. Form-based votes must be received by the Company at the following address by **24 November 2020 (date of receipt)** at the latest:

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4. Making counter proposals and nominations accessible

Insofar as they are to be made available to other shareholders, counter proposals by shareholders to the resolutions proposed by the Board of Managing Directors and/or Supervisory Board under specific agenda items and nominations for the election of auditors will be published online, without undue delay upon proof of qualification as shareholder, at

<https://www.varengold.de/investor-relations/hauptversammlung/>

if they have been sent to the Company at the following address at least 14 days before the day of the General Meeting, i.e. by the end of **10 November 2020 (24.00)** at the latest:

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5. Opportunity to ask questions

Pursuant to Section 1 (1)(2) of the COVID-19 Act, shareholders will be given an opportunity to ask questions electronically. With the approval of the Supervisory Board, the Board of Managing Directors has decided that questions should be submitted electronically no later than two days before the meeting in order to ensure that the General Meeting runs smoothly.

Therefore, only those questions submitted by no later than **23 November 2020 (24.00)** via the Company's online platform, available at

<https://www.varengold.de/investor-relations/hauptversammlung/>

will be considered. The Company's online platform, including the option to send in questions, will be available to shareholders from **4 November 2020**.

The Board of Managing Directors will answer questions during the General Meeting. Pursuant to Section 1 (2)(2) of the COVID-19 Act, the Board of Managing Directors will decide dutifully and at its own discretion which questions it answers and how.

6. Declaration of objection

In derogation from Section 245 No. 1 AktG, shareholders who have exercised their voting rights as explained above have the option, without appearing at the General Meeting, to lodge an objection to one or more resolutions of the General Meeting with the certifying public notary using electronic communication. A valid declaration of objection shall require the shareholder or proxy to submit the objection, stating the resolution to which the objection is directed, by the end of the General Meeting via the Company's online platform at

<https://www.varengold.de/investor-relations/hauptversammlung/>

IV.

Technical information

1. Technical information about the virtual General Meeting

In order to follow the virtual General Meeting, use the website online platform and exercise shareholders' rights, you will need an Internet connection and a web-enabled device (where

applicable), including browser and speakers or headphones. To optimise reproduction of the video and audio feed of the General Meeting, a stable Internet connection with sufficient transmission speed is recommended. To avoid the risk of restrictions in terms of exercising shareholders' rights due to technical problems during the virtual General Meeting, it is recommended that where possible shareholders' rights (in particular voting rights) are exercised before the start of the General Meeting.

2. Information on the availability of the video and audio feed

The video and audio feed of the virtual General Meeting and the availability of the website online platform may be subject to fluctuations in accordance with current technological standards due to restricted availability of the telecommunications network and limitations on third party Internet services which are beyond the Company's control. The Company can therefore accept no guarantees or liability for the functionality and constant availability of the Internet services used, the third party network elements used, the video and audio feed or access to the website online service platform and its general availability. The Company also accepts no responsibility for errors or defects in the hardware or software used for the online platform, including those of the service companies employed, unless there is deliberate intent. For this reason, the Company recommends that the aforementioned options for exercising rights, in particular for voting rights, are exercised at an early stage. If data protection or security considerations render it absolutely necessary, the chairman of the meeting must reserve the right to interrupt or stop the virtual General Meeting entirely.

V.

Information on data privacy for shareholders

New data protection regulations have applied across Europe since 25 May 2018 on account of the entry into force of the European Data Protection Regulation. The privacy of your data and its processing in a legally compliant manner is extremely important to us.

We contract UBJ GmbH, Kapstadtring 10, 22297 Hamburg, Germany to process the personal data provided by you when you register to participate in the General Meeting in order to enable you to exercise your rights at the General Meeting. Detailed information regarding the processing of your personal data is explained clearly in one place in our data privacy policy. This can be accessed or downloaded from the Company's website at

<https://www.varengold.de/rechtliches/datenschutz/>

Hamburg, October 2020

Varengold Bank AG

Board of Managing Directors