

BUSINESS COMBINATION

1. General

On August 30, 2021, 468 SPAC, Boxine GmbH, Beteiligungs GmbH, at the time Boxine's sole shareholder, Höllenhunde, at the time one of Beteiligungs GmbH's shareholders, and Holding GmbH, the other shareholder of Beteiligungs GmbH (Holding GmbH together with Höllenhunde, the "**Beteiligungs GmbH Shareholders**") entered into the Business Combination Agreement and ancillary agreements, which provide for, among other things, the contribution of all shares in Holding GmbH into 468 SPAC by the shareholders of Holding GmbH ("**Holding GmbH Shareholders**" and together with Höllenhunde, the "**Boxine Investors**") and the contribution of all shares in Beteiligungs GmbH held by Höllenhunde into 468 SPAC both in exchange for New Public Shares in 468 SPAC (the "**Acquisition**").

2. Treatment of Boxine Group's Virtual Share Program

Beteiligungs GmbH has in place a virtual employee participation scheme for certain employees of the Boxine Group as incentive plans for employees, key management and other beneficiaries (the "**Boxine VSP**"). Under the Boxine VSP, Beteiligungs GmbH has allocated virtual participations in Beteiligungs GmbH to certain members of its key management and other beneficiaries (the "**Boxine VSP Beneficiaries**"), providing them in case of an exit event with a contractual claim against Beteiligungs GmbH for a certain cash payment.

After the execution of the Business Combination Agreement, Beteiligungs GmbH, 468 SPAC and the Boxine VSP Beneficiaries will enter into an amendment of the Boxine VSP to, *inter alia*, modify the vesting schedule and trigger events under the Boxine VSP (the "**Boxine VSP Amendment Agreement**"). Pursuant to the Boxine VSP Amendment Agreement, the Boxine VSP Beneficiaries will be entitled to exercise at or immediately following the commencement of the Business Combination, a portion of their virtual participations (approximately €7 million in the aggregate) in Beteiligungs GmbH in accordance with the terms and conditions of the Boxine VSP Amendment Agreement. If and to the extent Boxine VSP Beneficiaries exercise such portion of their virtual participations in Beteiligungs GmbH at or immediately following the commencement of the Business Combination, they will be entitled to receive certain cash payments in accordance with the terms of the Boxine VSP, as amended by the Boxine VSP Amendment Agreement (all such cash payments together, the "**Boxine VSP Closing Payout Amount**"), provided that Beteiligungs GmbH has the ability to elect, in its sole discretion, to settle the Boxine VSP Closing Payout Amount in whole or in part instead of through a cash payment either exclusively through the issuance of new Public Shares to the relevant Boxine VSP Beneficiaries or a combination of cash and the issuance of new Public Shares to the relevant Boxine VSP Beneficiaries, in each case as set forth in the Boxine VSP Amendment Agreement.

3. Repayment of Shareholder and Vendor Loans

On January 21, 2021, Holding GmbH, as lender, granted a shareholder loan to Beteiligungs GmbH, as borrower, under a certain shareholder loan agreement providing for an interest rate of 6% p.a. (the "**Shareholder Loan**"). On August 27, 2021, the outstanding principal amount under the Shareholder Loan amounted to €5,000,000, and the outstanding principal amount plus accrued interest amounted to €5,175,833.33 in the aggregate (the aggregate principal amount plus accrued interest outstanding under the Shareholder Loan from time to time, the "**Shareholder Loan Amount**").

In order to allow the proceeds from the repayment of the Shareholder Loan to be distributed to the Holding GmbH Shareholders, shortly after conclusion of the Business Combination Agreement, the Holding GmbH Shareholders will resolve by way of a shareholders' resolution (i) the dissolution of capital reserves in the amount of the Shareholder Loan Amount on the date of the shareholders' resolution (such amount plus interest in the aggregate, the "**Distribution Amount**") followed by (ii) the distribution of the Distribution Amount. Concurrently therewith, the Holding GmbH Shareholders, as lenders, will grant a loan to Holding GmbH, as borrower, under a certain loan agreement (the "**Back-to-Back Shareholder Loan**") with the principal amount being equal to the Distribution Amount and providing for an interest rate of 6% p.a. (the "**Back-to-Back Shareholder Loan Amount**" (*i.e.*, the Back-to-Back Shareholder Loan Amount shall be equal to the Shareholder Loan Amount).

On October 4, 2019, certain former shareholders of Boxine, as lenders, granted vendor loans to Beteiligungs GmbH, as borrower, under certain vendor loan agreements, each providing for an interest rate of 6% p.a. (the "**Vendor Loan**" and the borrowers under the respective Vendor Loan, each a "**Borrower**" and the lenders under the respective Vendor Loan, each a "**Lender**"). On August 27, 2021, the outstanding principal amount under the Vendor Loan amounted to EUR 40,000,000, and the outstanding principal amount plus accrued interest amounts

to EUR 44,580,000 in the aggregate (the aggregate principal amount plus accrued interest outstanding under the Vendor Loan from time to time, the “**Vendor Loan Amount**”).

Of the Vendor Loan Amount, a total of €4.0 million (or €4.4 million including accrued interest) was repaid at the end of September 2021 when the Vendor Loan was due. The remainder was prolonged. For a majority of this amount outstanding the maturity was extended to the earlier of (i) closing of the business combination agreement with 468 SPAC I SE or (ii) end of February 2022. An amount of €1.4 million has a maturity until December 31, 2021, while an amount of €16.8 million has a maturity until March 31, 2022.

In order to allow Beteiligungs GmbH to partly repay the Vendor Loan, if and to the extent the Vendor Loan becomes due and payable prior to the Closing of the Business Combination, on July 8, 2021, Beteiligungs GmbH entered into a bridge loan facility in the amount of €30,000,000, and on September 22, 2021, in the amount of €7,000,000 (the “**Bridge Loan**”). As of August 27, 2021, the outstanding drawn amount under the Bridge Loan amounted to €30,000,000, and the outstanding drawn amount plus accrued interest amounted to €30,247,916.67 in the aggregate (the aggregate drawn amount plus accrued interest outstanding under the Bridge Loan from time to time, the “**Bridge Loan Amount**”).

After Closing, 468 SPAC will downstream, as is necessary, cash to Boxine, and Boxine shall pay on behalf of the respective Borrowers such euro amount that is required to repay the respective Borrower’s portion of the Shareholder Loan Amount and the Vendor Loan Amount to the respective Lender.

After Closing, 468 SPAC will downstream, as is necessary, cash to Holding GmbH, and Holding GmbH shall pay the euro amount that is required to repay the Back-to-Back Shareholder Loan Amount to the Holding GmbH Shareholders from the cash proceeds received as a result of the repayment of the Shareholder Loan from Beteiligungs GmbH to Holding GmbH.

4. Background of the Business Combination

468 SPAC has been established for the purpose of acquiring one operating business with principal business operations in a member state of the European Economic Area or the United Kingdom or Switzerland in the form of a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transactions. The agreed Business Combination was the result of an extensive search for potential transactions utilizing the global network of 468 SPAC’s management team. The terms of the Business Combination Agreement are the result of extensive negotiations among the representatives of 468 SPAC and the Boxine Investors.

On April 29, 2021, 468 SPAC completed its private placement of 30,000,000 units at a price of €10.00 per unit generating gross proceeds of €300,000,000 (the “**Private Placement**”). Each unit consisted of one Public Share and 1/3 Public Warrant to subscribe for a Public Share. In conjunction with the Private Placement, 468 SPAC completed an additional private placement of 5,500,000 Sponsor Warrants at a price of €1.50 per Sponsor Warrant to the 468 SPAC Sponsor and Co-Sponsors as well as an additional private placement to the Sponsor and Co-Sponsors consisting of 900,000 Sponsor Warrants to cover the negative effect of negative interest rates on the amounts held in the Escrow Account.

Since the completion of the Private Placement, 468 SPAC considered a number of potential target businesses with the objective of consummating a business combination. Representatives of 468 SPAC contacted, and were contacted by, a number of individuals and entities with respect to potential business combination opportunities. 468 SPAC primarily considered businesses that it believed could benefit from the substantial expertise, experience and network of its management team, that 468 SPAC determined have a competitive advantage in the markets in which they operate and that have attractive growth prospects.

In the process that led to identifying Boxine Group as an attractive business combination opportunity, 468 SPAC’s management team evaluated a number of different potential business combination targets and, in connection with such evaluation, 468 SPAC entered into non-disclosure agreements with respect to other potential business combination targets (other than the Boxine Group).

On May 21, 2021, 468 SPAC, Boxine and the Holding GmbH Shareholders entered into a non-disclosure agreement and started negotiations on the terms and conditions of a potential business combination.

Pursuant to the mutual non-disclosure agreement, Boxine provided the representatives of 468 SPAC with access to an online data room for purposes of 468 SPAC conducting business, financial, tax and legal due diligence with respect to Boxine Group.

Between May 22, 2021 and the date of the execution of the Business Combination Agreement, 468 SPAC conducted business, financial, tax and legal due diligence with respect to Boxine Group.

On June 2, 2021, 468 SPAC and Boxine entered into, and executed, a letter of intent (the “**LoI**”) with a non-binding term sheet. After the execution of the LoI, 468 SPAC, Boxine and the Boxine Investors entered into negotiations of the Business Combination Agreement.

On June 17, 2021, 468 SPAC published an ad hoc release with respect to the execution of the LoI. The ad hoc contained a description of the envisaged business combination between 468 SPAC and Boxine and release of the envisaged PIPE Financing in an amount of up to €100 million.

On August 30, 2021, 468 SPAC and certain investors executed definitive documentation with respect to the PIPE Financing, which provided for binding subscriptions to purchase an aggregate of 10,500,000 Public Shares at €10.00 per share.

On August 30, 2021, the parties to the Business Combination Agreement entered into the Business Combination Agreement and certain ancillary agreements.

On August 30, 2021, 468 SPAC issued an ad hoc release announcing the execution of the Business Combination Agreement and the PIPE Financing and 468 SPAC and Boxine issued a joint press release.

5. 468 SPAC’s Reasons for the Business Combination

468 SPAC’s Management Board, in evaluating the Business Combination, consulted with its legal counsel, financial and accounting advisors and other advisors. In reaching its resolution (i) that the terms and conditions of the Business Combination Agreement and the transactions contemplated thereby, including the Business Combination are advisable, fair to and in the best interests of 468 SPAC and its shareholders and (ii) to recommend that the shareholders adopt the Business Combination Agreement and approve the Business Combination, the 468 SPAC Management Board considered and evaluated a number of factors, including, but not limited to, the factors discussed below. In light of the number and wide variety of factors considered in connection with its evaluation of the Business Combination, 468 SPAC’s Management Board did not consider it practicable to, and did not attempt to, quantify or otherwise assign relative weights to the specific factors that it considered in reaching its determination and supporting its decision. 468 SPAC’s Management Board viewed its decision as being based on all of the information available and the factors presented to and considered by it. In addition, individual members of 468 SPAC’s Management Board may have given different weight to different factors. 468 SPAC’s Management Board has considered a number of factors pertaining to the Business Combination as generally supporting its decision to enter into the Business Combination Agreement and the transactions contemplated thereby, including but not limited to, the following material factors:

- **Scalable tech-enabled business model.** Boxine performs in the specific tech and technology-enabled sector of direct to consumer business. Boxine’s businesses focuses on specializing in niche products and tailors its customer experience and products to specific target groups.
- **Outstanding market position due to unique branding or pioneering technology.** Boxine is among the market leaders in its respective markets with a superior value proposition, which is built on unique branding and pioneering technologies that truly offers innovation.
- **Proven business case with strong growth outlook and attractive margin potential.** Boxine provides for a proven business case with a strong growth outlook and attractive margin potential. Boxine has an industry-leading margin potential in combination with a clear path to profitable growth.
- **True tech company with state-of-the-art tech stack.** Boxine is a true technology company with state-of-the-art tech stacks that has a clear advantage over businesses with legacy technology. We believe this allows for a sustainable competitive advantage and builds the foundation for a highly scalable backend which is key for predictable growth.
- **Top-tier investor base in the late-stage / pre-IPO phase.** Boxine has a top-tier investor base, is in a late-stage / pre-IPO phase and has already attracted and convinced other industry leaders of the future potential of the underlying business model.
- **Founder-led businesses with enthusiastic management.** Boxine is founder-led and Boxine’s management has strong entrepreneurial ambition to take its business to the next level, exhibits the highest degree of dedication and takes ownership to deliver on clearly defined growth ambitions.

- **Specific background of 468 SPAC Sponsor and Founders adds further value.** 468 SPAC believes that the specific background, network and know-how of 468 SPAC's Management Board adds further value for Boxine.

468 SPAC's Management Board also has considered a variety of uncertainties and risks and other potentially negative factors concerning the Business Combination, including, but not limited to, the following:

- **Benefits Not Achieved.** The risk that the potential benefits of the Business Combination may not be fully achieved, or may not be achieved within the expected timeframe.
- **Liquidation of 468 SPAC.** The risks and costs to 468 SPAC if the Business Combination is not completed, including the risk of diverting management focus and resources from other businesses combination opportunities, which could result in 468 SPAC being unable to effect a business combination within the Business Combination Deadline and force 468 SPAC to liquidate.
- **Exclusivity.** The fact that the LoI includes an exclusivity provision that prohibits 468 SPAC from soliciting other business combination proposals, which restricts 468 SPAC's ability, so long the exclusivity is in effect, to consider other potential business combinations prior to the expiry of the Business Combination Deadline.
- **Shareholder Vote.** The risk that 468 SPAC's shareholders may fail to provide the respective votes necessary to effect the Business Combination.
- **Closing Conditions.** The fact that completion of the Business Combination is conditioned on the satisfaction of certain closing conditions that are not within 468 SPAC's control.
- **Litigation.** The possibility of litigation challenging the Business Combination could indefinitely enjoin consummation of the Business Combination.
- **Fees and Expenses.** The fees and expenses associated with completing the Business Combination.
- **Other Risks.** Various other risks associated with the Business Combination, the business of 468 SPAC and the business of Boxine described under the section entitled "Risk Factors."

In addition to considering the factors described above, 468 SPAC's Management Board also considered that 468 SPAC Founders may have interests in the Business Combination as individuals that are in addition to, and that may be different from, the interests of 468 SPAC's shareholders (see "8 *Interests of Certain Persons in the Business Combination*").

468 SPAC's Management Board concluded that the potential benefits that it expected 468 SPAC and its shareholders to achieve as a result of the Business Combination outweighed the potentially negative factors associated with the Business Combination. Accordingly, 468 SPAC's Management Board determined that the Business Combination Agreement and the Business Combination, are advisable, fair to, and in the best interests of, 468 SPAC and its shareholders.

6. Interests of Certain Persons in the Business Combination

The Sponsor and Co-Sponsors may have interests in the Business Combination that are different from, or in addition to, those of other 468 SPAC shareholders generally. 468 SPAC's Management Board is aware of and has considered these interests, among other matters, in evaluating and negotiating the Business Combination, and in recommending to 468 SPAC shareholders that they approve the Business Combination proposal.

These interests include:

- the fact that Sponsor and Co-Sponsors have agreed not to redeem any shares held by them in connection with a shareholder vote to approve a proposed Business Combination;
- the fact that 468 SPAC's Sponsor and Co-Sponsors paid an aggregate of €[120,000] for the Sponsor Shares and such securities will have a significantly higher value at the time of the Business Combination which would be valued at approximately €[75,000,000];
- the fact that 468 SPAC's Sponsor and Co-Sponsors paid an aggregate of €8,250,000 for their 5,500,000 Sponsor Warrants and that such Sponsor Warrants will only become exercisable following the first anniversary of the Business Combination or earlier if, at any time, the closing price of the Public Shares equals or exceeds €12.00 for any 20 trading days within any 30-trading day period; however, pursuant

to the Business Combination Agreement, the Sponsor and the Co-Sponsors have in addition agreed to the 468 SPAC Sponsors Lock-Up;

- the fact that 468 SPAC’s Sponsor and Co-Sponsors paid an aggregate of €1,350,000 for 900,000 Sponsor Warrants to cover the effect of negative interest rates on the amounts held in the Escrow Account;
- the fact that 468 SPAC Sponsor and Co-Sponsors paid an additional purchase price for the Sponsor Warrants in the aggregate of €1,080,000 to cover the remuneration of the members of the 468 SPAC management Board and due diligence cost in connection with the Business Combination;
- the fact that 468 SPAC Sponsor and Co-Sponsors will lose their entire investment in 468 SPAC and will not be reimbursed for any out-of-pocket expenses if an initial business combination is not consummated by April 30, 2021; and
- the fact that Alexander Kudlich, Dr. Ludwig Ensthaler and Florian Leibert have certain relations to Boxine, hold less than 1% on a fully diluted basis in Boxine through investments in indirect shareholders of Boxine and Alexander Kudlich the chairman of the advisory board (*Beirat*) of Boxine (for the time until the consummation of the Business Combination his role has rested and he has not participated in any meetings of the advisory board, has not exercised his voting right as a board member and has not received any information in his capacity as board member from Boxine, other board members or non-voting observers, especially concerning the Business Combination).

However, these interests may have influenced the members of the 468 SPAC Management Board in making their recommendation that 468 SPAC shareholders should vote in favor of the approval of the Business Combination.

7. Sources and Uses for the Business Combination

The following tables summarize the sources and uses for funding the Business Combination:

Sources & Uses

<u>Sources</u>	<u>(in € mm)</u>	<u>Uses</u>	<u>(in € mm)</u>
Boxine Investors Roll-Over Equity	510	Boxine Investors Roll-Over Equity	510
PIPE Financing	105	Net Primary Proceeds ⁽²⁾	170
Public Shareholders ⁽¹⁾	[●]	Secondary Proceeds ⁽³⁾	[●]
Sponsor Promote	75	Sponsor Promote	75
		Transaction Fees ⁽⁴⁾	20
		Secondary Proceeds for Höllenhunde	
		Escrow Account (as defined below)	5
Total sources	[●]	Total uses	[●]

(1) Reflecting redemptions in the amount of [●] Public Shares by 468 SPAC’s public shareholders.

(2) The portion of the cash proceeds in connection with the consummation of the Business Combination and the PIPE Financing allocated to the Company.

(3) The Actual Cash Consideration (as defined below) received by the Boxine Investors.

(4) Reflects transaction costs to be charged by both parties to the combined entity.

8. Accounting Treatment of the Business Combination

Holding GmbH will be treated as accounting acquirer under the Business Combination.