BenevolentAI
Société anonyme
Registered office : 9, rue de Bitbourg
L-1273 Luxembourg
R.C.S. Luxembourg B255412

(the "**Company**")

REPORT OF THE BOARD OF DIRECTORS

The board of directors of the Company (the "**Board**"), at its meeting held on 5 February 2025, approved the draft common terms of merger dated 5 February 2025 and to be published in the *Recueil Électronique des Sociétés et Associations*, whereby the Company will be merged (the **"Merger"**) into **Osaka Holdings S.à r.l.,** a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of the Grand Duchy Luxembourg, having its registered office at 9, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg, being registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés, Luxembourg)* (the "**RCS**") under number B288631 (the "**Absorbing Company**") and the shareholders of the Company will, as a result of the Merger, be issued new shares in the Absorbing Company (as more fully described hereafter).

The Board noted that the Absorbing Company is currently existing in the form of a private limited liability company *(société à responsabilité limitée*) but that, just before the Merger, subject to the approval by the General Meeting of the Absorbing Company, the Absorbing Company shall be converted into a public limited liability company *(société anonyme)* (the "**Legal Form Conversion**").

The merger is to be carried out in accordance with Articles 1021-1 *et seq*. of the Luxembourg law of 10 August 1915 on commercial companies, as amended (the "**1915 Law**"). Pursuant to the 1915 Law, extraordinary decisions of the shareholders of the Company and of the shareholders of the Absorbing Company will need to be taken to approve the Merger.

For such purpose, the Board has prepared the following report, as required by article 1021-5 of the 1915 Law.

I. Exchange ratio

The share exchange ratio with respect to the Merger shall be 1:1, meaning that in exchange for every one share in the Company, the shareholders of the Company shall receive one share in the Absorbing Company, each with no nominal value and an accounting par value of zero point zero zero one euros (EUR 0.001) (the "**Share Exchange Ratio**").

The Merger will be based on an accounting statement drawn up as at 31 December 2024 for the Absorbing Company and the Company both prepared in accordance with accounting principles generally accepted in the Grand Duchy of Luxembourg under the historical cost convention and on a going concern basis. The Absorbing Company has no assets and liabilities other than its share capital which will however be reduced to zero euro (EUR 0.00), consistent with the value of the Absorbing Company immediately prior to the Merger. These accounting records will be used in determining the Share Exchange Ratio for the purpose of the Merger.

On the Merger Date, the Absorbing Company will issue the same number of shares which are in issue in the Company (minus the treasury shares currently held by the Company which will be cancelled) and such shares will be granted to all the shareholders of the Company in a proportion corresponding to their shareholding in the Company. Following the Merger, the ownership of the Absorbing Company will therefore be the same as that of the Company in the same proportions as prior to the Merger.

The warrants exchange ratio with respect to the Merger shall also be 1:1, meaning that in exchange for every warrant granted by the Company, the holders of warrants of the Company shall be granted one warrant in the Absorbing Company (the "**Warrants Exchange Ratio**").

On the Merger Date, the Absorbing Company will issue the same number of warrants which are in issue in the Company and such warrants will be granted to all the holders of the warrants of the Company in a proportion corresponding to their holding in the Company.

In light of the above, the value of the Absorbing Company following the Merger results entirely from the value of the net assets of the Company. The Share Exchange Ratio and the Warrants Exchange Ratio of 1:1 means that the value that was held by each shareholder and each warrant holder immediately before and after the Merger is constant.

Consequently, the Board has not undertaken any further valuation actions and hereby confirms that it has not encountered any special valuation difficulties in applying the valuation method described above.

Pursuant to article 1021-6 of the 1915 Law, the Share Exchange Ratio described above will be subject to an examination by PricewaterhouseCoopers, having its registered office at 2, rue Gerhard Mercator, L-2182 Luxembourg, Grand Duchy of Luxembourg, and being an independent expert within the meaning of article 1021-6 of the 1915 Law who shall prepare a written report to the attention of the shareholders of the Company stating in particular whether the Share Exchange Ratio is fair and reasonable.

II. Legal and economic grounds of the contemplated merger

The redeemable class A shares of the Company are currently admitted to trading on the regulated market operated by Euronext Amsterdam N.V. ("**Euronext Amsterdam**") under ISIN LU2355630455 (the "**Listing**").

The Company has come to the conclusion that the broader public equity capital market is no longer the most advantageous source of financing for the Company and that long-term-oriented growth of the Company can best be achieved by a termination of the Listing (the "**Delisting**") and thus in a private ownership setting outside the short-term focus and volatility of capital markets. Due to less stringent legal requirements applying to non-listed companies, a Delisting will also reduce the regulatory burden, the operational complexity and administration costs, which will be more proportionate to the operating scale of the business being conducted by the Company. As a result, the Delisting is expected to allow the capital of the business to support the business model to have the greatest ability to generate value for shareholders in the future.

The Company has come to the conclusion that the Merger would be the best way to implement the Delisting.

In light of the above, the Board is of the opinion that the Merger is justified both legally and economically.

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On behalf of the Board of **BenevolentAI**

Ken Mulvany

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Name: **Ken Mulvany**
Title: Authorised Signatory