



Convenience translation

This translation is a working translation only. Legally binding and relevant is solely the German version.

Report of the Management Board regarding agenda item 10 on the exclusion of shareholders' subscription rights pursuant to section 203(2) sentence 2 in conjunction with section 186(4) sentence 2 AktG

Under agenda item 10 of the General Meeting on 30 June 2022, the Management Board and the Supervisory Board propose creating a new Authorised Capital 2022 (**Authorised Capital 2022**). Pursuant to Art. 5 SER in conjunction with section 203(2) sentence 2 AktG in conjunction with section 186(4) sentence 2 AktG, the Management Board submits this report on agenda item 10 of the General Meeting on the reasons for excluding shareholder subscription rights when issuing the new shares:

Against the background of the existing remuneration system for the members of the Management Board, the Supervisory Board of the Company has adopted, among other things, a new virtual stock option plan in order to be able to grant virtual stock options to members of the Management Board of the Company (**Beneficiaries**) in the future. The Management Board has resolved that the VSOP shall also apply to employees of the Company and/or group companies in order to be able to grant virtual stock options to them under the VSOP in the future. These virtual stock options are generally settled in shares if the General Meeting of the Company has adopted a resolution on (i) the acquisition and sale of treasury shares or (ii) a conditional capital or (iii) an authorised capital for this purpose. The Company may, at its sole discretion, also settle virtual stock options in cash.

For the Authorised Capital 2022, the shareholders' subscription rights are excluded. The Authorised Capital 2022 serves to deliver shares of the Company for the settlement of payment claims arising from virtual stock options granted under the Company's virtual stock option plan to members of the Management Board and employees of the Company and/or group companies against contribution of the existing payout claim from virtual stock options granted under the VSOP together with the payment (contribution) of EUR 1.00 in cash for these virtual stock options per share of the Company to be issued.

The shareholder subscription rights are excluded in the case of capital increases against contributions in cash and/or in kind if shares are issued to members of the Management Board of the Company, members of the management of an entity dependent on the Company, or employees of the Company or an entity dependent on the Company, as part of any share-based payment or in connection with share-based payment or employee share programmes, with it being possible to agree restrictions relating to the shares issued. Within the framework permitted by section 204(3) sentence 1 AktG, it shall be possible to cover the contribution to be made on the new shares from the part of the net profit for the year which the Management Board and the Supervisory Board may allocate to other revenue reserves pursuant to section 58(2) AktG. This facilitates the handling of the share issue and corresponds to the fact that

the issue of new shares to employees is usually of a remuneration nature. Issuing shares to managers and/or employees promotes identification with and loyalty to the company and supports the willingness to assume responsibility within the entity. Share-based compensation also offers the opportunity to align the compensation of executives and/or employees with long-term corporate development in appropriate cases.

The number of shares issued in total as well as the benefit granted to the beneficiaries through the shares granted at a reduced price or without personal investment should be proportionate to the situation of the company and the expected advantages for the company. The issuance of shares may be subject to further conditions such as vesting periods, lock-up periods, the achievement of certain targets or the continuation of the employment relationship with a group company until a certain date. The issuance of shares for these purposes is in the interest of the company and its shareholders, as it promotes the identification of the beneficiaries with the company and thus the increase of the company's value and, if applicable, their loyalty to the company. For this purpose, the shareholders' subscription rights must be excluded.

This is also intended to give the company the opportunity to implement a so-called restricted stock unit plan (RSUP) for certain employee groups (in particular head-level, director-level and/or selected expert functions), which will be designed as a virtual programme. The RSUP will provide for certain allocation dates and the payment claims arising after the expiry of a certain period and, if applicable, depending on the achievement of certain performance targets, shall be able to be serviced with shares of the Company. On the one hand, the Company is to be allowed to satisfy these claims from treasury shares. Depending on the market situation, however, the use of authorised capital in particular is also structurally suited to this purpose, with shareholder subscription rights being excluded. In deciding whether the Company should satisfy the claims by issuing new shares from authorised capital or from treasury shares, which might first have to be acquired for this purpose, the Management Board will be guided by the interests of the Company and will give due consideration to the interests of shareholders. The Company may, at its sole discretion, also settle in cash.

In addition to conventional employee or management share programmes, other possible arrangements include, in particular, so-called share matching plans, under which participants first acquire shares on the market or from the Company in return for a cash payment (known as investment shares) and, as a second step one or more years later, receive a certain number of shares (known as matching shares) for a certain number of shares acquired in the first step, without any further (or for a reduced) additional payment, depending on the achievement of certain performance targets and/or the continuation of the employment relationship. Arrangements are also conceivable in which the participants receive the additional free shares immediately instead of one or more years later, and all of these shares are subject to a holding period. However, the use of the Authorised Capital 2022 shall not be limited to existing or planned employee or management share programmes. It can also be used if the Company introduces further or other share-based remuneration programmes.

The pro rata amount of the registered share capital attributable to the new shares issued may not exceed 10% of the Company's registered share capital existing at the time the resolution on the Conditional Capital 2022 is adopted. In order to protect shareholders against dilution, any shares which have been issued or transferred from authorised capital, conditional capital or from treasury shares to members of the Management Board and employees of the Company and to members of the management and employees of entities affiliated with the Company within the meaning of section 15 AktG or their investment vehicles under participation programmes since

the adoption of the resolution on the Conditional Capital 2022 shall be counted towards this 10% limit.

The issuance of shares to members of the Management Board of the Company is subject to the express consent of the Supervisory Board.

The issue price of the new shares must be at least EUR 1.00 and may be paid by contributions in cash and/or in kind, including claims against the Company. The Management Board is authorised, with the consent of the Supervisory Board, to determine the further details of the capital increase and its implementation. The new shares shall participate in the profits from the beginning of the fiscal year in which they are issued and for all subsequent fiscal years; notwithstanding this, the Management Board, to the extent permitted by law, with the consent of the Supervisory Board (and, in the event that shares are issued from the Authorised Capital 2022 to members of the Management Board of the Company, the Supervisory Board) may determine that the new shares shall participate in the profits from the beginning of the fiscal year preceding the fiscal year in which such new shares are created, if the General Meeting has not yet adopted a resolution on the appropriation of the distributable profit (*Bilanzgewinn*) of the fiscal year preceding the fiscal year in which such new shares are created.

These restrictions also limit a possible dilution of the voting rights of the shareholders excluded from the subscription right. When weighing up all these circumstances, this exclusion of shareholders' subscription rights is necessary, adequate, appropriate and in the Company's best interests.