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Non-binding convenience translation

Report of the Management Board on agenda item 8 (Resolution on the cancellation of the existing authorization to acquire and use treasury shares and the granting of a new authorization to acquire and use treasury shares, including the authorization to cancel shares acquired, to reduce the capital and to exclude shareholders' subscription rights)

In accordance with section 71 para. 1 no. 8 sentence 5 in conjunction with section 186 para. 4 sentence 2 AktG, the Management Board submits the following report on agenda item 8 of the Annual General Meeting on the reasons for the authorization to exclude shareholders' subscription rights when selling acquired treasury shares:

In agenda item 8, the Management Board and Supervisory Board propose that the company be authorized to acquire treasury shares in the company until 18 June 2029 (inclusive) in the amount of up to 10% of the share capital existing at the time the resolution is adopted by the Annual General Meeting or - if this value is lower - of the share capital existing at the time the authorization is exercised.

This authorization is intended to renew the possibility of share buybacks and the use of the acquired shares. The company acquired treasury shares on the basis of the authorization granted by the Annual General Meeting on 5 August 2021. In order to restore the company's full scope of action for a period of five years, a new authorization is to be granted to the Management Board this year, cancelling the existing authorization remaining after partial use. The authorization also includes the use of treasury shares already acquired on the basis of the existing authorization in accordance with the Annual General Meeting resolution of 5 August 2021 and earlier authorizations. The authorization may be exercised both by the company itself, by dependent companies or companies in which the company holds a majority interest or by third parties for its or their account.

Treasury shares may be acquired via the stock exchange or by way of a public purchase or exchange offer. The principle of equal treatment of shareholders pursuant to section 53a German Stock Corporation Act (*AktG*) must be observed in the acquisition. The proposed acquisition via the stock exchange or by way of a public purchase or exchange offer takes this into account. If the number of shares tendered in a public purchase or exchange offer exceeds the purchase volume envisaged by the company, the purchase or exchange will be carried out proportionately according to the ratio of shares tendered per shareholder. However, irrespective of the number of shares tendered by the shareholder, a preferential purchase or exchange of smaller quantities of up to one hundred (100) shares per shareholder may be provided for. Shares with a tender price determined by the shareholder, at which the shareholder is prepared to sell the shares to the

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company and which is higher than the purchase price determined by the company, will not be taken into account in the acquisition; this applies accordingly in the case of an exchange ratio determined by the shareholder, in which the company would have to deliver and transfer more exchange shares for shares in the company than at the exchange ratio determined by the company.

- a) The proposed authorization provides that the acquired treasury shares may be used for any legally permissible purpose. In particular, acquired treasury shares can be cancelled without a further resolution by the Annual General Meeting. The cancellation of treasury shares generally leads to a reduction in the company's share capital. However, the Management Board is also authorized to redeem treasury shares without reducing the share capital in accordance with section 237 para. 3 no. 3 German Stock Corporation Act (*AktG*). This would increase the proportion of the remaining shares in the share capital in accordance with section 8 (3) German Stock Corporation Act (*AktG*) (calculated nominal amount) on a pro rata basis. The principle of equal treatment under stock corporation law is observed in both of the aforementioned utilization methods.
- b) The proposed authorization also provides for the use of acquired treasury shares to implement a scrip dividend in the context of which shares in the company are issued (also partially and/or optionally) in return for the contribution of shareholders' dividend entitlements. This is intended to enable the company to distribute a scrip dividend at optimal conditions. In the case of a scrip dividend, shareholders are offered the opportunity to contribute all or part of their entitlement to payment of the dividend arising from the resolution on the appropriation of profits at the Annual General Meeting to the company as a contribution in kind in order to receive new shares in the company in return. The distribution of a scrip dividend can be carried out as a rights issue, in particular in compliance with the provisions of section 186 (1) German Stock Corporation Act (*AktG*) (minimum subscription period of two weeks) and section 186 (2) German Stock Corporation Act (*AktG*) (announcement of the issue amount no later than three days before the end of the subscription period). In individual cases, however, depending on the capital market situation, it may be preferable to organise the distribution of a scrip dividend in such a way that the Management Board offers all shareholders entitled to dividends new shares for subscription in return for the contribution of their dividend entitlement, thereby granting the shareholders a subscription right in economic terms, but legally excluding the shareholders' subscription right to new shares altogether, in compliance with the general principle of equal treatment (section 53a German Stock Corporation Act (*AktG*)). Such an exclusion of subscription rights enables the distribution of the scrip dividend without the aforementioned restrictions of section 186 (1) and (2) German Stock Corporation Act (*AktG*) and therefore on more flexible terms. In view of the fact that the new shares are offered to all shareholders and excess dividend amounts are settled in the form of a cash dividend payment, an exclusion of subscription rights in such a case appears justified and appropriate.

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- c) In addition, the Management Board (or the Supervisory Board, if members of the Management Board are affected) should be able to use treasury shares in connection with various remuneration or bonus programs. The remuneration or bonus programs serve to incentivize the program participants in a targeted manner and at the same time are intended to bind them to the company:
 - aa) They may be offered for purchase and transferred to persons who are or were in an employment relationship with the company or one of its affiliated companies, as well as members of the company's executive bodies or of companies affiliated with the company or their investment vehicles, holders of purchase rights, in particular from options (also prior to the change of the legal form of the Company into a stock corporation) that are or were issued by the company or its subsidiaries.
 - bb) They may be offered for purchase and transferred to the beneficiaries of the virtual options issued to service virtual option rights; in particular to service virtual option rights granted by the company to managing directors, employees and/or sponsors of the company and/or its direct and/or indirect subsidiaries prior to the change of legal form of the company to a stock corporation.
 - cc) They may be transferred to persons who are or were in an employment relationship with the company or one of its affiliated companies on the basis of agreements in connection with the employment relationship.

Shareholders' subscription rights are to be excluded in this respect. By utilizing these in connection with the remuneration and incentivization of persons who are or were in an employment relationship with the company or one of its affiliated companies, as well as members of the company's executive bodies or of companies affiliated with the company within the meaning of section 15 the German Stock Corporation Act (*AktG*) the proportionate amount of the share capital attributable to the newly issued shares may not exceed a total of 10% of the company's share capital, neither at the time of the resolution of the Annual General Meeting on the above authorizations nor at the time of the exercise of these authorizations. To protect shareholders from dilution, shares issued or sold from authorized capital or conditional capital to members of the Management Board and employees of the company as well as to members of the management and employees of companies affiliated with the company within the meaning of section 15 German Stock Corporation Act (*AktG*) during the term of these authorizations from participation programs are also to be counted towards this 10% limit.

- d) In addition, the Management Board should be able, with the approval of the Supervisory Board, to offer and transfer treasury shares in return for non-cash contributions, in particular in the context of business combinations or for the (also indirect) acquisition of companies, operations, parts of companies or equity interests, as consideration for services provided by

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third parties not affiliated with the company (in particular service providers) and for the (also indirect) acquisition of assets or claims to the acquisition of assets, including receivables from the company or its Group companies. The aforementioned shares can also be used for the termination or settlement of company law award proceedings at affiliated companies of the company. Shareholders' subscription rights are to be excluded in this respect. The proposed authorization is intended to strengthen the company in the competition for interesting acquisition targets and enable it to react quickly, flexibly and in a liquidity-friendly manner to acquisition opportunities as they arise. The proposed exclusion of shareholders' subscription rights takes this into account. The decision as to whether treasury shares or shares from authorized capital are used in individual cases is made by the Management Board, which is guided solely by the interests of the company and its shareholders. When valuing treasury shares and the consideration for them, the Management Board will ensure that the interests of the shareholders are adequately safeguarded. In doing so, the Management Board will take into account the stock market price of the company's shares; a schematic link to a stock market price is not envisaged, in particular so that negotiation results once achieved cannot be jeopardized again by fluctuations in the stock market price.

- e) The acquired treasury shares may also be sold by the Management Board, with the approval of the Supervisory Board, to third parties for cash, excluding shareholders' subscription rights, provided that the selling price per share is not significantly lower than the stock market price of the company's shares at the time of the sale. This authorization makes use of the option of simplified exclusion of subscription rights permitted under section 71 para. 1 no. 8 sentence 5 German Stock Corporation Act (*AktG*) in accordance with section 186 para. 3 sentence 4 German Stock Corporation Act (*AktG*). This enables the Management Board to quickly and flexibly take advantage of favorable stock market situations and to achieve the highest possible resale price by setting a price close to the market, thereby regularly strengthening equity or tapping into new groups of investors.

The authorization is subject to the proviso that the shares issued with the exclusion of subscription rights may not exceed a total of 10% of the share capital, either at the time the resolution is adopted or at the time the authorization is exercised. Shares issued during the term of the resale authorization in direct or analogous application of section 186 para. 3 sentence 4 German Stock Corporation Act (*AktG*) are to be counted towards this limit. This also includes shares that are or can be issued to service convertible bonds or bonds with warrants or profit participation rights with conversion or option rights, provided that the underlying bonds are issued in the future during the term of this authorization up to this point in time with the exclusion of subscription rights in accordance with section 186 para. 3 sentence 4 German Stock Corporation Act (*AktG*).

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The financial and voting right interests of the shareholders are adequately safeguarded in this way of selling treasury shares. In principle, shareholders have the option of maintaining their shareholding quota at comparable conditions by purchasing shares on the stock exchange.

- f) In addition, the company should also be able to use treasury shares to service purchase obligations or purchase rights to shares in the company arising from and in connection with convertible bonds or bonds with warrants or profit participation rights and / or participating bonds issued by the company or one of its Group companies. In order to provide the company with the flexibility to repurchase the convertible bonds or bonds with warrants or profit participation rights or participating bonds issued by the company or one of its Group companies prematurely in a manner that conserves liquidity, the treasury shares should also be offered to their holders as consideration and transferred to them. To this end, shareholders' subscription rights must be excluded in each case. This also applies in the event of a sale of treasury shares by means of a public offer to all shareholders for the possibility of also granting the creditors of such instruments subscription rights to the shares to the extent to which they would be entitled if the respective conversion or option rights had already been exercised (protection against dilution).
- g) Finally, the Management Board is authorized to exclude any fractional amounts in the event of an offer to all shareholders. This is necessary for the technical processing of such an offer in order to avoid the issue of fractions of shares. The Management Board will utilize the shares excluded from shareholders' subscription rights as so-called free fractions either by selling them on the stock exchange or in any other way that is best for the company.

The authorization may be exercised with regard to shares in the company that were acquired on the basis of this or previous authorizations to acquire treasury shares.

The Management Board will report on any utilization of this authorization at the next Annual General Meeting in accordance with section 71 para. 3 sentence 1 German Stock Corporation Act (*AktG*).

Munich, May 2024

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