

4. Report pursuant to §§ 221 (4) sentence 2, 186 (4) sentence 2 AktG (on Agenda Item 8)

In accordance with § 221 (4) sentence 2 AktG in conjunction with § 186 (4) sentence 2 AktG, the Management Board submits the following report on the exclusion of subscription rights on Agenda Item 8.

General information

The Management Board and Supervisory Board propose to the Annual General Meeting the cancellation of an existing authorization to issue convertible bonds and/or bonds with warrants together with the associated conditional capital and the granting of a new authorization to issue convertible bonds and/or bonds with warrants together with the creation of the associated new Conditional Capital 2024.

Adequate capital resources and financing are an essential basis for the company's development. By issuing convertible bonds and/or bonds with warrants (collectively "**bonds**"), the company can take advantage of attractive financing opportunities depending on the market situation and its financing requirements, for example to provide the company with debt capital at low interest rates or to optimize its capital structure. Furthermore, the issue of bonds, possibly in addition to the use of other instruments such as a capital increase, can open up new groups of investors. The Management Board is therefore to be authorized to issue bonds, also against non-cash contributions, and Conditional Capital 2024 is to be resolved.

The authorization proposed under Agenda Item 8 provides that bonds of up to EUR 1,400,000,000 with conversion/option rights or obligations to shares in the company may be issued. Up to 34,800,000 non-par value bearer shares in the company with a pro rata amount of the share capital of up to EUR 34,800,000.00 are to be available for this purpose from the new Conditional Capital 2024 to be created. If this authorization is exercised in full, bonds could be issued that would grant subscription or conversion rights to up to 20% of the company's current share capital at the time they are issued. The authorization is limited until 6 June 2029.

The company should be able to issue the bonds in euros or other legal currencies of OECD countries, if necessary also via its majority shareholdings, limited to the corresponding equivalent value in euros. The bonds should also be able to provide for the possibility of an obligation to exercise the conversion/option rights or exchange rights of the issuer or the company, in particular tender rights or rights to replace the payments originally owed thereunder with shares in the company. With the latter option, it is possible to react flexibly and in a liquidity-friendly manner to changes in the framework conditions between the issue and maturity of such bonds. In addition to servicing from conditional or authorized capital, it should also be possible to provide for the delivery of treasury shares or the payment of compensation in cash.

Conversion or option price

The conversion or option price for a share must be at least 80% of the volume-weighted average price of the company's shares in the XETRA trading system of the Frankfurt Stock Exchange (or a comparable

successor system) on the last ten trading days prior to the date of the resolution by the Management Board on the public announcement of the issue of the bond. If the shareholders are entitled to a subscription right to the bonds, an alternative option is provided to determine the conversion or option price for a share based on the volume-weighted average closing auction price of the share in XETRA trading (or a comparable successor system) on the stock exchange trading days in the period from the beginning of the subscription period to the third day before the announcement of the final conditions in accordance with § 186 (2) sentence 2 AktG (inclusive). In the case of bonds with a conversion/option exercise obligation or a right on the part of the company to grant the holders or creditors of the bonds all or part of their subscription rights, holders or creditors of the bonds in whole or in part instead of payment of the cash amount due, the conversion/option price may be at least either the above-mentioned minimum price (80%) or the volume-weighted average price of the company's shares in the XETRA trading system of the Frankfurt Stock Exchange (or a comparable successor system) or (i) in the period during the last ten trading days before the final maturity date or (ii) on at least ten trading days immediately before the conversion/option price is determined in accordance with the issue conditions, even if this average price is below the above-mentioned minimum price (80%).

Anti-dilution protection and adjustments

Notwithstanding § 9 (1) and § 199 (2) AktG, the conversion/option price may be adjusted on the basis of dilution protection or adjustment clauses in accordance with the terms and conditions underlying the respective bond if, for example, changes in the company's capital occur during the term of the bonds or warrants or if the company sells treasury shares while granting its shareholders an exclusive subscription right. Dilution protection or adjustments may also be provided for in connection with dividend payments, the issue of further convertible bonds/warrant bonds, conversion measures and in the event of other events affecting the value of the option or conversion rights that occur during the term of the bonds or warrants (such as a third party gaining control). Dilution protection or adjustments can be provided for in particular by granting subscription rights, changing the conversion/option price and by changing or granting cash components.

Shareholders' subscription rights

In principle, shareholders have a subscription right to bonds of this type. In order to facilitate processing, it should also be possible to make use of the option to issue the bonds to banks or companies operating in accordance with § 53 (1) sentence 1 or § 53b (1) sentence 1 or (7) of the German Banking Act (KWG) with the obligation to offer them to shareholders for subscription. However, in the cases specified in the authorization, the Management Board shall also be authorized to exclude the subscription right with the approval of the Supervisory Board.

Exclusion of subscription rights for fractional amounts and in favor of holders or creditors of bonds already issued

The exclusion of fractional amounts is sensible and in line with the market in order to create a practical subscription ratio and simplify the issue of bonds. In addition, the potential dilution effect is generally very low due to the restriction to fractional amounts. The proposed exclusion of subscription rights is therefore in the interests of the company and its shareholders:

Exclusion of subscription rights for benefits in kind

Furthermore, shareholders' subscription rights can also be excluded if the bonds are issued in return for non-cash contributions. Among other things, this is intended to enable the Management Board to use the bonds as acquisition currency in order to be able to acquire such non-cash contributions in return for the transfer of such financing instruments in suitable individual cases, in particular for the acquisition of companies, parts of companies or interests in companies. Company expansions resulting from the acquisition of companies or equity interests generally require quick decisions. The proposed authorization enables the Management Board to react quickly and flexibly to advantageous offers or other opportunities on the national or international market and to take advantage of opportunities to expand the company by acquiring companies or interests in companies in return for the issue of bonds in the interests of the company and its shareholders. The Management Board will carefully examine in each individual case whether it should make use of the authorization to issue bonds with the exclusion of subscription rights if opportunities to acquire assets, in particular companies or equity interests in companies, materialize. It will only exclude shareholders' subscription rights if this is in the well-understood interests of the company and its shareholders.

Exclusion of subscription rights to protect against dilution

Furthermore, shareholders' subscription rights may be excluded with the approval of the Supervisory Board in order to grant the holders or creditors of bonds a subscription right to compensate for dilution to the extent to which they would be entitled after exercising their conversion or option rights or after fulfilling their conversion or option obligations. This offers the possibility of granting the holders or creditors of bonds already issued or still to be issued at this time a subscription right as protection against dilution instead of a reduction in the option or conversion price. It is market standard practice to provide bonds with such dilution protection. This exclusion of subscription rights ultimately serves to simplify the issue and marketing of the bonds and is therefore in the interests of the company and its shareholders.

Simplified exclusion of subscription rights pursuant to §§ 221 (4) sentence 2, 186 (3) sentence 4 AktG

Pursuant to § 221 (4) sentence 2 AktG, the provisions of § 186 (3) sentence 4 AktG apply mutatis mutandis to the exclusion of subscription rights when issuing bonds. The limit for the exclusion of subscription rights of up to 10% of the respective share capital regulated there is not exceeded due to the express restriction of the authorization. The notional interest in the share capital attributable to shares to be issued or granted on the basis of bonds issued for cash under this authorization may not exceed 10% of the share capital at the time this authorization becomes effective or - if this value is lower - at the time this authorization is exercised. Shares that are issued or sold during the term of this authorization up to the time it is exercised in direct or analogous application of § 186 (3) sentence 4 AktG on the basis of an authorization are to be counted towards this limit. Furthermore, shares issued or granted or to be issued or granted on the basis of a convertible bond or bond with warrants issued or to be issued or granted during the term of this authorization based on the exercise of another authorization excluding subscription rights in accordance with this provision shall also be included. These offsets are made in the interest of the shareholders in minimizing the dilution of their shareholding.

The placement with the exclusion of shareholders' subscription rights enables the company to take advantage of favorable capital market situations at short notice and thus achieve a significantly higher inflow of funds than in the case of an issue with subscription rights. In addition, the achievable conditions (in particular the conversion/option price per share and the amount of the option premium received or to be issued and, in the case of foreign currencies, the exchange rate) can be estimated far more reliably over a very short period of time and attractive conditions can therefore also be achieved more reliably. If subscription rights were granted, successful placement would be jeopardized due to the uncertainty of the subscription rights being exercised or would involve additional expense and significantly longer lead times, during which market conditions could change. Conditions that are favorable for the company and as close to market conditions as possible can only be set if the company is not bound to them for too long an offer period. Otherwise, in order to ensure the attractiveness of the conditions and thus the chances of success of the respective issue for the entire offer period, a not inconsiderable haircut would be necessary. In the case of foreign currency borrowings, the impact of exchange rate fluctuations on the issue can also be minimized by excluding subscription rights and shortening the offer period accordingly. Finally, bonds denominated in foreign currencies in particular may be instruments that are only suitable or interesting for specialized investor groups.

The interests of shareholders are safeguarded by ensuring that the bonds are not issued at a price significantly below the theoretical market value in the case of subscription rights or subscription obligations already established at the time of issue. The theoretical market value is to be determined using recognized financial mathematical methods. When setting the price, the Management Board will keep the discount on this market value as low as possible, taking into account the respective situation on the capital market. This will reduce the notional value of a subscription right to the bonds to almost zero, so that shareholders cannot suffer any significant economic disadvantage as a result of the exclusion of subscription rights. Shareholders will also have the opportunity to maintain their share in the company's share capital at approximately the same conditions by purchasing shares on the stock exchange. This ensures that their financial interests are adequately protected.

Limitation of the total scope of the issue of bonds without subscription rights

Bonds may only be issued with the exclusion of subscription rights in accordance with these authorizations if the total amount of new shares to be issued on the basis of such bonds does not exceed 10% of the share capital. This is based on the share capital at the time this authorization becomes effective or - if the subsequent value is lower - at the time this authorization is exercised. This additionally limits the total scope of an issue of bonds without subscription rights. In this way, shareholders are additionally protected against a possible dilution of their shareholding. Offsetting clauses ensure that the Management Board does not exceed the 10% limit by also making use of other authorizations to issue shares or to issue rights that enable or oblige the subscription of shares and also exclude shareholders' subscription rights.

Conditional Capital 2024

The Conditional Capital 2024 is required in order to be able to fulfill conversion/option rights or conversion/option obligations or tender rights associated with correspondingly structured bonds in relation to shares in the company, unless other forms of fulfillment are used for servicing.

Utilization of the authorization to issue bonds

There are currently no concrete plans to make use of the authorization to issue bonds. In any case, the Management Board will carefully examine whether the use of the authorization is in the interests of the company and its shareholders.

The Management Board will report on each use of the authorization at the next Annual General Meeting.