Convenience translation
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Report of the Management Board on agenda item 12 regarding the exclusion of subscription and tender rights in connection with the acquisition and sale of treasury shares pursuant to section 71(1) no. 8 sentence 5 in conjunction with section 186(4) sentence 2 and section 186(3) sentence 4 AktG

The Company is to be authorised by the General Meeting to purchase treasury shares pursuant to section 71(1) no. 8 AktG. The authorisation to purchase treasury shares is to allow the Company to purchase shares over a period of five years, i.e. until 29 June 2027, in the amount of up to 10% of its registered capital and to use the purchased shares for all purposes legally permitted. Treasury shares may be acquired (i) on the stock exchange, (ii) by a public offering or a public call for offers made to all shareholders (hereinafter a ***Purchase Offer***) or (iii) by granting the shareholders tender rights. Such an acquisition may also be made by companies controlled or majority-owned by the Company or by third parties acting for the account of the Company or such companies.

Acquisition procedure and exclusion of tender rights

In addition to an acquisition on the stock market, it is proposed to enable the Company to acquire treasury shares by way of a Purchase Offer. In connection with such an offer, the number of shares in the Company tendered by shareholders may exceed the number of shares required by the Company. In this case tenders will be accepted on a quota basis. It is proposed that priority may in this case be given to smaller tenders or smaller parts of tenders up to a maximum of 100 shares. The purpose of this option is to avoid fractional amounts in determining the quotas to be acquired and to avoid small residual amounts, thus simplifying the technical execution of the share repurchase. Furthermore, this avoids *de facto* disadvantages to small shareholders. Offers may otherwise be accepted on a *pro rata* basis according to the number of shares tendered in each case (tender ratios) instead of participation ratios as this allows the purchase procedure to be handled technically within a commercially reasonable framework. Finally, rounding according to commercial principles is to be permitted to avoid mathematical fractions of shares. To this extent the purchase quota and the number of shares to be purchased from individual tendering shareholders can be rounded as required to enable the acquisition of whole numbers of shares for technical purposes. The Management Board considers the consequent exclusion of any further shareholder tender rights to be objectively justified and to be reasonable towards shareholders.

In addition to an acquisition on the stock market or by way of a Purchase Offer, the authorisation further provides that shares may also be acquired by granting tender rights. These tender rights will be structured in such a way that the Company is only obliged to purchase whole numbers of shares. Any tender rights which cannot be exercised in accordance therewith will be forfeited. This procedure treats shareholders equally and simplifies the technical procedure of the share repurchase.

Use of acquired shares and exclusion of subscription rights

Treasury shares acquired on the basis of the authorisation granted by the General Meeting held on 30 June 2022 and the treasury shares already held by the Company may be resold on the stock market or by way of a public offer to all shareholders. This option takes account of the statutory principle of equal treatment (section 53a AktG). Furthermore, the Management Board with the consent of the Supervisory Board, should be authorised to use the treasury shares already held by the Company and the treasury shares acquired by the Company, with the right to exclude shareholders' subscription rights, for every permissible purpose, in particular as follows:

The treasury shares may be retired by the Company without any further resolution being adopted by the General Meeting. In accordance with section 237(3) no. 3 AktG, the Company's General Meeting may resolve to retire its fully paid-up no-par value shares without being required to reduce the Company's registered capital. The proposed authorisation expressly provides for this alternative, in addition to the retirement of the shares with a capital reduction. A retirement of the treasury shares without a capital reduction automatically increases the pro rata amount of the remaining no-par value shares in the Company's registered capital. Therefore, the Management Board is to be authorised for this purpose to make the necessary amendments to the articles of association with regard to the changed number of no-par value shares following the retirement.

Furthermore, the Company is to be entitled to transfer treasury shares as a consideration to third parties to the extent this serves the purpose to acquire business entities, parts of business entities, interests in business entities or other assets (including receivables), or to effect business combinations. In connection therewith, the shareholders' subscription rights are to be excluded. The Company is exposed to global competition. The Company must at any time be able to act in a quick and flexible manner on national and international markets. This also includes the possibility to effect business combinations or to acquire business entities, parts of business entities or interests in business entities in order to improve its competitive position. Furthermore, it may be economically reasonable, particularly in connection with the acquisition of enterprises or parts of enterprises, to acquire additional other assets, such as those used for business purposes by a business entity or part of a business entity. In a particular case, the ideal implementation for the purposes of the Company may be to effect the business combinatoin or the acquisition by granting shares in the acquiring company. Practice further shows, on national and international markets alike, that a delivery of shares in the acquiring company is often required as consideration in connection with business combinations or for attractive acquisition objects.

The possibility of granting shares for these purposes is indeed also provided for in respect of the Authorised Capital 2021. However, the Company should further be able to grant shares for these purposes without being required to effect a capital increase - which would be more time-consuming owing to, in particular, the requirement of its registration in the commercial register and also entail higher administrative costs. The purpose of the proposed authorisation is to allow the Company the necessary scope to capitalise in a quick and flexible manner on opportunities for business combinations or acquisitions as they arise. If a subscription right was granted, this would not be possible, and the Company would not be able to reap the benefits associated therewith. The Management Board will carefully examine whether or not to use the authorisation to grant treasury shares as soon as relevant projects take a more concrete shape. When determining the valuation ratios, the Management Board will ensure that shareholder interests are adequately protected by taking into account the stock market price of the Company's shares. However, no schematic link to a stock market price is foreseen in this context, in particular to not allow fluctuations in the stock market price to jeopardise the results reached at negotiations. There are currently no specific plans to use this authorisation.

The authorisation further provides that treasury shares may be used, excluding shareholders' subscription rights, to fulfil option and/or conversion rights/obligations of holders in respect of bonds with warrants and/or convertible bonds issued by the Company or its group companies with option or conversion rights/obligations (these instruments being hereinafter referred to as ***bonds***). It may be reasonable to use treasury shares in whole or in part instead of new shares from a capital increase in order to fulfil option rights and/or conversion rights/obligations. To the extent treasury shares are so used, the shareholders' subscription rights are excluded. However, the provisions explained below in relation to the 10% limit must be observed in direct or analogous application of section 186(3) sentence 4 AktG.

Moreover, the authorisation provides that the acquired treasury shares may be sold against compensation in cash outside a stock exchange, excluding the subscription rights. As a prerequisite, these shares must in each case be sold at a price that is, at the time of the sale, not substantially below the market price of Company's shares of the same type. This authorisation makes use of the simplified exclusion of subscription rights provided for by section 71(1) no. 8 AktG in analogous application of section 186(3) sentence 4 AktG. It serves the interests of the Company to obtain the best price possible when selling treasury shares. This allows the Company to exploit opportunities that may arise due to prevailing stock market conditions in a quick, flexible and cost-efficient manner. The sales proceeds that can be achieved by fixing a price close to the market price generally results in significantly higher proceeds per share sold than in case of a share placement with subscription rights, which generally involves significant discounts from the stock market price. Furthermore, as no subscription rights need to be processed in a time-consuming and expensive manner, equity capital requirements can be met by utilising short-term market opportunities. This takes the financial interests and voting rights interests of shareholders into due consideration. As shares may be sold only at prices which are not substantially below their applicable market prices, shareholders are duly protected against dilution. The selling price for the treasury shares of the Company will be finally determined shortly before the shares are sold. When determining the selling price, the Management Board will try to keep any possible markdown on the quoted stock market price as low as possible, taking into account the current conditions of the market. Interested shareholders may maintain their Participation Ratios at substantially identical conditions by acquiring further shares on the market.

The authorisations granted under section 186(3) sentence 4 AktG for an exclusion of subscription rights in the sale of treasury shares, also including any other authorisations to issue or sell shares or bonds excluding subscription rights pursuant to, in accordance with or in analogous application of section 186(3) sentence 4 AktG, are limited to a maximum of 10% of the Company's registered capital, either at the effective date or – if this amount is lower – at the date when any of these authorisations is used. Beyond this limit, the Management Board will not, subject to a new authorisation to exclude subscription rights being granted by a subsequent General Meeting, use the authorisation to sell treasury shares excluding the shareholders' subscription rights in the amount of the proportion of its registered capital which is attributable to shares issued or sold with an exclusion of shareholders' subscription rights under other authorisations granted to the Management Board, to the extent the amount of the proportion of the registered capital attributable to such shares exceeds 10% of the Company's current registered capital.

The proposed resolution provides for the restriction that any counting of shares towards the limit made in accordance with the above provisions due to authorisations being exercised (i) to issue new shares pursuant to section 203(1) sentence 1, (2) sentence 1, section 186(3) sentence 4 AktG and/or (ii) to sell treasury shares pursuant to section 71(1) no. 8, section 186 (3) sentence 4 AktG and/or (iii) to issue bonds pursuant to section 221(4) sentence 2, section 186(3) sentence 4 AktG, is cancelled with effect for the future if and to the extent that the relevant authorisation(s), the exercise of which having led to the shares being counted towards the limit, is/are granted again by the General Meeting in accordance with statutory provisions. This is because in such case(s) the General Meeting has again decided in favour of a simplified exclusion of subscription rights, meaning that the reason to count the shares towards the limit has ceased to exist. The reason for this is that upon the effectiveness of the new authorisation for a simplified exclusion of subscription rights, the restriction caused by the use of the authorisation to issue new shares or to issue bonds or by the sale of treasury shares is no longer applicable. The majority requirements for such a resolution are identical to those applicable to a resolution on the creation of authorised capital, an authorisation to issue bonds or an authorisation to sell treasury shares, in each case with the option of a simplified exclusion of subscription rights. Therefore, to the extent the statutory requirements are complied with, a resolution adopted by the General Meeting to grant (i) a new authorisation to issue new shares pursuant to section 203(1) sentence 1, (2) sentence 1, section 186(3) sentence 4 AktG (i.e. new authorised capital), (ii) a new authorisation to issue bonds pursuant to section 221(4) sentence 2, section 186(3) sentence 4 AktG or (iii) a new authorisation to sell treasury shares pursuant to section 71(1) no. 8, section 186(3) sentence 4 AktG, must at the same time also be considered an approval regarding the authorisation resolution relating to the use of treasury shares under this authorisation. If an authorisation to exclude subscription rights is exercised again in direct or analogous application of section 186(3) sentence 4 AktG, the counting of shares towards the limit is carried out again.

Furthermore, the Company is to be enabled to use the treasury shares acquired under this authorisation for their listing, excluding subscription rights, on stock exchanges in Germany or abroad on which shares of the Company were not previously listed. This allows to broaden the shareholder basis, to further raise the attractiveness of the Company’s shares as an investment and to ensure that the Company has adequate equity capital available. The availability of adequate equity capital is of major importance for the funding of the Company and particularly for its continued international expansion. The proposed lower limit for the initial listing price, which may not be less than a price which is 5% below the Xetra closing price on the last trading day before the date of the initial listing, ensures that the Company obtains an adequate consideration and that its shareholders are sufficiently protected against a dilution of their shares.

Furthermore, treasury shares are to be offered for acquisition, for payment or without payment, by employees of the Company and its affiliates or by members of corporate bodies of the Company’s affiliates as part of any share-based remuneration or in connection with share-based remuneration programmes and/or employee share programmes. If this authorisation is utilised, the total number of shares issued and the preferential treatment granted to the beneficiaries as a result of the shares being granted at a reduced price, or without any personal investment, should be reasonably commensurate with the Company’s situation and the anticipated 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. Issuing treasury shares for these purposes is in the interests of the Company and its shareholders, because 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. Furthermore, the use of existing treasury shares as components of a share price and value-based remuneration instead of a capital increase or cash compensation may be economically reasonable for the Company. For this purpose, shareholder subscription rights must be excluded.

Special conditions may be granted when treasury shares are granted to employees of the Company and of subordinate affiliated companies and to members of the management of subordinate affiliated companies. In addition to conventional employee or executive share programmes, possible arrangements include, in particular, 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 certain holding period. However, the use of this utilisation authorisation of the proposed authorisation is not to be restricted to existing or planned employee or executive stock option programmes. It can also be used if the Company introduces further or other share-based remuneration programmes.

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 is also suited to this purpose, with shareholder subscription rights having to be 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 accordance with the authorisation, the shares already held by the Company may, with the approval of the Supervisory Board, be used, first, to satisfy acquisition rights (option rights) granted or promised by the Company prior to the conversion into a stock corporation or European Company (Societas Europaea), and prior to the initial public offering of the Company, to current or former employees and managing directors of the Company as well as former members of the Advisory Board of the Company and which the Company is obliged to satisfy. For this purpose, shareholders’ subscription rights must be excluded. Transferring treasury shares instead of making use of available conditional capital or authorised capital, if any, may be an economically viable alternative, as it largely avoids the effort associated with a capital increase and the listing of new shares as well as the dilutive effect of such a transaction which otherwise may occur. For this reason, the exclusion of subscription rights is principally in the interests of the Company and its shareholders.

In addition, the authorisation is designed to enable the Company to use repurchased treasury shares to meet acquisition obligations or acquisition rights relating to shares of the Company that were or will be agreed with members of the Company’s Management Board in connection with the provisions on the remuneration of Management Board members. This also requires an exclusion of shareholders’ subscription rights. Variable remuneration components may thus be granted which provide an incentive for sustainable management over the long term, for example by part of the variable remuneration, instead of being paid in cash, being granted in the form of shares subject to certain lockup periods or stock awards subject to vesting periods. By transferring shares subject to a lockup period or granting stock awards with a vesting period or granting other share-based remuneration instruments to members of the Management Board, part of their remuneration can be deferred, thereby increasing their loyalty to the Company, since the Management Board will participate in a sustainable increase in the Company's value. The minimum vesting period for new shares to be transferred and subject to a lockup period or new stock awards should be approximately four years. Since such shares may not be sold before the end of the vesting period, the member of the Management Board will participate in positive as well as negative changes in the share performance during the vesting period. As a consequence, the members of the Management Board may experience a bonus effect and a malus effect. The details regarding the remuneration of Management Board members are determined by the Supervisory Board. These include provisions on further conditions, such as vesting periods, lockup periods, achievement of specific targets, the forfeiture and non-forfeiture of stock awards and provisions on the treatment of stock awards and shares subject to lockup periods in special cases, such as in the case of retirement, disability or death, or a premature leaving from the Company, where, for example, a cash settlement or removal of the lockup period or vesting period may be provided.

Treasury shares may furthermore be offered and transferred to the Beneficiaries for the purpose of servicing virtual stock options issued under the relevant Company's virtual stock option plans (VSOP) described under agenda item 11 of the General Meeting of the Company on 30 June 2022. Shareholder subscription rights shall be excluded in this respect. It is intended that, in addition to shares from the conditional capital and the authorised capital, the Company may also use treasury shares to service virtual stock options issued under the VSOP. Transferring treasury shares instead of making use of available conditional capital or authorised capital, if any, may be an economically viable alternative, as it largely avoids the effort associated with a capital increase and the listing of new shares as well as the dilutive effect of such a transaction which otherwise may occur. For this reason, the exclusion of subscription rights is principally in the interests of the Company and its shareholders. The use of the authorisation must not cause the pro rata amount of the registered share capital attributable to the new shares issued to 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 companies 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 decision on the instrument of remuneration to be used and the method of servicing is determined by the Supervisory Board with regard to shares used for Management Board remuneration, and by the Management Board with regard to other shares. In reaching their decisions, these boards will focus solely on promoting the interests of the Company and its shareholders.

An involvement of suitable third parties, such as underwriting houses, is to be allowed – to the extent legally permitted – for the implementation of the above authorisation. This may be reasonable, in particular, to facilitate the practical implementation and to reduce necessary efforts. Third parties may be involved in this process subject to the proviso that shares may be re-transferred only with the authorisation of the General

Meeting and, if appropriate, after the expiry of a vesting period or subject to an agreement on holding periods.

In the event of a sale of treasury shares by means of a public offer to all shareholders, the Management Board is to be entitled to exclude shareholders' subscription rights for fractional amounts. The exclusion of subscription rights for fractional amounts is necessary to make it technically feasible to sell acquired treasury shares by means of an offer to shareholders. Treasury shares excluded as free fractional amounts from shareholders' subscription rights will be used by selling them on the stock market or otherwise to achieve maximum advantage for the Company.

The Management Board will inform the General Meeting of the use of this authorisation.