



Convenience translation

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

Report of the Management Board on agenda item 11 (resolution on the authorisation to issue virtual stock options and to deliver shares of the Company for the settlement of payment claims arising from virtual stock options to members of the Management Board of the Company and employees of the Company and/or group companies (virtual stock option plan (VSOP)) and on the creation of a Conditional Capital 2022 for the settlement of payment claims arising from virtual stock options under the VSOP and on the corresponding amendment to the articles of association)

Under agenda item 11 of the General Meeting on 30 June 2022, the Management Board and the Supervisory Board propose to authorise the Management Board and the Supervisory Board of the Company to grant up to 3,000,000 virtual stock options to the members of the Management Board and employees of the Company and/or group companies during the period up to (and including) 31 December 2026. In addition, it is proposed to authorise the creation of a Conditional Capital 2022 for the settlement of payment claims arising from virtual stock options granted under the virtual stock option plan (**VSOP**) and to amend the articles of association accordingly. The Management Board submits this report on agenda item 11 of the General Meeting on the reasons for the authorisation to issue virtual stock options under the VSOP and to settle payment claims arising from exercised virtual stock options under the VSOP with new shares from the Conditional Capital 2022:

The reasons for setting up the VSOP have already been explained in the report on agenda item 10 of the General Meeting (in section VI.).

Virtual stock options under the VSOP can only be issued to members of the Management Board and employees of the Company and/or group companies (the **Beneficiaries**). If virtual stock options are intended to be granted to members of the Management Board of the Company, the Supervisory Board shall be solely responsible for determining the number of virtual stock options and their issuance; if virtual stock options are intended to be granted to employees of the Company and/or group companies, this shall be the responsibility of the Management Board. The grant of the virtual stock options is governed by the individual grant amount in accordance with the individual terms and conditions of the relevant Management Board member's service agreement or of the relevant employees' individual grant agreements, as applicable, and the general provisions of the virtual stock option plan.

Each virtual stock option issued under the VSOP grants the right to receive a cash payment upon achievement of the performance target, the expiration of certain periods and the exercise of the option within certain exercise periods; the Beneficiaries are not entitled to claim the delivery of shares in the Company. In total, a maximum of 3,000,000 virtual stock options may be issued under the VSOP until the end of 2026.

The payment claim against the Company is generally settled in shares, subject to approval by the General Meeting, provided that the Company may, at its sole discretion, also settle in cash in order to give the Company greater flexibility in connection with the exercise of the virtual stock options by the Beneficiaries. The claims of the Beneficiaries shall be settled by utilising a Conditional Capital 2022 to be created in the amount of EUR 1,588,920. However, the resolution proposal does not provide for a limitation to new shares created by way of a capital increase from conditional capital, but also allows treasury shares to be made available to the Beneficiaries upon exercise of the virtual stock options issued under the VSOP. For this purpose, an authorisation to acquire treasury shares and to utilise them is proposed under agenda item 12. In addition, the resolution proposal under agenda item 10 provides that, at the option of the Company, shares in the Company may also be delivered from an authorised capital to be newly created for the settlement of payment claims arising from virtual stock options issued under the VSOP.

Shareholder subscription rights are excluded. 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 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 incentive for the Beneficiaries is largely determined by the development of the stock market price of the shares of the Company between the grant date of the virtual stock option and the time the virtual stock option is exercised. The exercise price at which a virtual stock option can be exercised is an amount denominated in euros specified in the relevant grant letter and corresponding to the arithmetic mean, calculated to two decimal places, of the closing prices of the shares of the Company in the Xetra trading system (or a comparable successor system) on the Frankfurt Stock Exchange during the last 20 trading days immediately preceding the grant date of a tranche of virtual stock options. In any event, the minimum exercise price corresponds to the minimum issue price pursuant to section 9 (1) AktG, i.e., currently EUR 1.00.

The virtual stock options of a specific tranche granted to a Beneficiary are time-vested in twelve equal monthly instalments over a period of one year (vesting period). In order to give the Beneficiaries a longer-term incentive to increase the value of the Company in the interest of all shareholders, the proposal regarding the VSOP provides, in addition to the performance target and the time-vesting of the virtual stock options, for a waiting period of four years for the first-time exercise of the virtual stock options. After the end of the four-year waiting period, the virtual stock options can be exercised under the VSOP, subject to the fulfilment of the further conditions, only within an exercise period of four weeks, beginning in each case on the third business day after publication of the half-yearly financial report or the annual financial statements by the Company. This is intended to enable an efficient settlement and at the same time ensure that no insider information is available to the Beneficiaries.

The right to exercise the virtual stock options under the VSOP generally terminates three years after the end of the four-year waiting period. If virtual stock options under the VSOP are not exercised or cannot be exercised by this date, they lapse without compensation, unless the end of the term falls within (i) a defined Black-Out Period or (ii) a closed period according to (x) the rules of the trading venue where the Company's shares are admitted to trading, or (y) national law, or (iii) within ten working days after

the date on which the Black-Out Period or the Closed Period ends. In this case, the term of such virtual stock options shall be deemed to be extended to the date on which the next exercise period ends after the end of the Black-Out Period or Closed Period. Closed Period in the aforementioned sense are the periods of 30 calendar days before the announcement of a year-end report or half-yearly report. Defined Black-Out Period for the Management Board in the aforementioned sense are the periods of 30 calendar days before the announcement of a quarterly report or quarterly financial report.

Furthermore, the draft resolution and the terms and conditions of the VSOP generally exclude the transferability of the virtual stock options granted to the Beneficiaries under the VSOP. This is intended to ensure the personal incentive effects pursued with the virtual stock option plan. Finally, the draft resolution and the terms and conditions of the VSOP provide that the Management Board and the Supervisory Board are authorised to determine the further details of the virtual stock option plan and for the issuance of shares from the conditional capital. To the extent permitted by law, these further details include in particular but are not limited to provisions regarding the type and scope of the virtual stock options to be granted, the procedure for the exercise and settlement of the virtual stock options, possibilities for a cancellation of virtual stock options in the event of a change of control, provisions regarding a right of the Company to limit the economic benefits from the exercise of virtual stock options in the event of extraordinary developments, provisions regarding costs and taxes, and/or other procedural provisions.